

FEB 26 1973

Community Affairs File

Vigo County Public Library

Man Requests Tougher Sentence

Two men were sentenced in Vigo Circuit Court Monday, with one asking Judge C. Joseph Anderson for a tougher sentence.

Billy Wayne Smith, who entered a plea of guilty Dec. 29 to a charge of entering with intent to commit a felony, told Judge Anderson in court that he would prefer a straight five-year term rather than the one-to-five years he had been given.

Smith's reason for the unusual request was that he "couldn't handle parole." The judge, who assured Smith he would probably not be granted parole because of his previous record, added that he could not grant the request because of a state statute limiting the sentence to no less than one nor more than five years in prison. Judge Anderson, did, however, note the request in the official minutes.

Smith was originally accused of second degree burglary in connection with the Dec. 24 break-in at Phil's and Bill's restaurant, 935 Wabash Ave.

Sentenced to one year at the Indiana State Farm Monday was Wiley Walter Jr., 26, 3121 Beach St. Walter entered a guilty plea Monday to a charge of deceptive issuance of a check and waived a pre-sentence report that would have delayed sentencing 30 days.

Entering pleas of not guilty in circuit court Monday were Gerald E. Lacey, 22, 1127 8th Ave., and Edwin A. Goings, 20, RR 52. Both are charged with second degree burglary in connection with a burglary at the Village Cinema, 1257 Lafayette Ave. A trial by jury was scheduled for April 30.

EXCHANGE CLUB TO MEET AT K. OF C. TUESDAY MORNING

The Exchange Club of Vigo County will meet at 7 a.m. Tuesday at the Knights of Columbus. Richard Becker will be the featured speaker.

SEES SON FIRST

KOSCIUSKI, Miss. (AP) — James C. Bailey, 75, father of a recently freed POW, died Sunday. His son, Navy Lt. James W. "Bill" Bailey, visited him



OREN TESTA

Testa Named Vice President Of CBS Here

FEB 26 1973

Oren Testa, 248 S. 24th St., has been named vice president of operations for Columbia House in Terre Haute, a division of the Columbia Broadcasting System.

He replaces John R. Kapps, who is now with GRI Corp., Chicago.

Testa has been with CBS since coming to Terre Haute in 1959. He joined the company as a systems and procedures analyst and has held a number of positions in the Columbia House division since then. Before being named vice president of operations, he was director of distribution.

Testa was born in Georgetown, Ill., and graduated from St. Mary's College in Winona, Minn., with a bachelor's degree in English. He then spent three years in the Navy as an intelligence officer, stationed at a number of domestic bases, and also made a tour of the Far East.

He is married to the former Billie Cheek of Clinton, Ind. The couple has three children.

Atlanta Jet Crash Kills 6

ATLANTA, Ga. (AP) — Six persons were killed today when their executive jet brushed the top of an apartment building and crashed into nearby woods shortly after the pilot told the control tower he had struck some birds.

Fruitridge Ave. Project Told in Asphalt Review

Terre Haute's Fruitridge Avenue Project is the subject of a laudatory article in the current issue of "Indiana Asphalt Review," the newsletter of the Asphalt Pavement Association of Indiana, Inc.

Filling the outside pages of the review, the article headlined "Terre Haute Paves Four-Lane Artery to Economic Growth" noted the efficiency of the project at every stage from planning to completion.

The review claims the \$2,767,000 project will pay for itself — in terms of time and vehicle operating cost savings — in less than three years. The new four-lane artery extends 2.5 miles along the northeast edge of the city from Wabash Ave. to Fort Harrison Rd. and serves 6,000 persons employed by Columbia Records, Bemis Bag Co., A&P, Ethyl Visqueen, Ampacorp Corp., Commercial Motor Freight and other, smaller firms.

The article quotes a feasibility study by Clyde E. Williams and Associates, Inc., of Indianapolis, which estimated that more than \$2,300 will be realized daily in time-vehicle wear dividends.

The Williams firm also forecast that the project would help to create 1,380 new jobs in the area within the next 20 years.

"It took less than three years, from plan conception to construction completion," the article begins, continuing, "For a major urban thruway (sic) project, that is highly unusual. For a project involving federal, county or city funds with all of the contingent legal requirements and regulations, it may be unique in the annals of public works."

Fifty per cent of the cost was covered by a federal grant; 36 per cent by state road funds and the city and county split the remaining 14 per cent of the costs.

"It was a beautiful job . . . with everybody cooperating from start to finish," project manager Fred Musleh is quoted as saying.

The Williams firm design team completed final planning work in mid-1971. Wabash Valley Asphalt — a subsidiary of Bituminous Materials Co., Inc., of Terre Haute — was awarded the contract and crews



"MORNIN' JUDGE"

JACK E. MARSHALL, 33, 1429 S. 10th St. Speeding, fined \$48.

WILLIAM C. RHUEBOTTOM, 18, 1027 Poplar St. Driving on a beginner's permit without licensed driver in vehicle, fined \$14.

RONNIE P. MILLER, 25, 241 S. 11th St. Harassing telephone calls, fined \$75 and sentenced to 90 days on the Indiana State Penal Farm.

ALBERT SMITH, 25, 2035 N. 20th St. Speeding, fined \$103. No operator's license, fined \$23.

MICHAEL J. LANE, 19, Sandison Hall, Indiana State University. Malicious trespass, fined \$50. Minor consuming, fined \$50.

RANDY M. FOX, 18, Sandison Hall, Indiana State University. Malicious trespass, fined \$50. Minor consuming, fined \$50.

RAYMOND LUBBENHUSEN, 59, 2035 N. 24th St. Theft (shoplifting), fined \$75 (suspended) and sentenced to 10 days in jail.

SPECIALISTS SAY FUND CUTBACK HINDERS SWAP

BOSTON (AP) — American and Russian heart specialists say a cutback in federal health funds for research and training has hindered plans for the two nations to swap heart specialists in a study program.

The statement was made Saturday by Dr. Bernard Lown, associate professor of cardiology at the Harvard School of Public Health, and by Prof. Igor Shkhvatsabai, director of the Miasnikov Institute of Cardiology at the Moscow Academy of Medical Sciences.

Shkhvatsabai is leading a five-man delegation visiting the United States to study means of preventing and treating heart attacks.

Lown said he and the Russian delegation discussed plans to have each nation send a cardiologist to the other nation for a period of study.

"The sudden heart attack is a serious problem in the United States," Lown told a news con-

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CBS Inc. Files Suit Against State Tax Board

By LARRY GIBBS
Star Staff Writer

The Columbia Broadcasting System, Inc. filed suit in Vigo Superior Court Tuesday morning against the State Board of Tax Commissioners, charging that assessed valuations assigned to its personal property in Terre Haute have been set too high.

Defendants in the complaint are Carleton L. Phillippi, Durwood S. Strang and Taylor I. Morris Jr., as members of the State Tax Board, and Theodore L. Sendak, attorney general of Indiana.

In its suit, Columbia claims that it prepared and filed all prescribed forms disclosing its personal property located in Harrison Township. In those forms, Columbia Records, a division of CBS, listed an assessed value of \$2,065,500, while Columbia House, also a CBS affiliate, had an assessed value of \$1,430,440.

However, the complaint alleges that following a field hearing by representatives of the State Tax Board the assessed valuation of Columbia was incorrectly set at \$2,159,810, an increase of \$94,310. The same field hearing resulted in an increase of the assessed value of Columbia House to \$1,669,920, an increase of \$239,480.

The complaint alleges the State Tax Board erred in determining the fair market value of Columbia's property by failing to reduce the fair market value by taking several factors into account.

According to the suit, the State Tax Board did not reduce the fair market value by 1) merchandise imported in the original package for resale, export, or in warehouse storage in transit in the original package; 2) imported inventories, or 3) adjustments for inventory damaged, waste, shortage, loss, obsolescence, returns, free merchandise and exempt inventory based upon reserves.

While charging that the State Tax Board did not act in accordance with state statutes, Columbia's suit asks the court to set aside the increased assessed valuations and to enter an order assessing the plaintiff's property as originally reported.

The suit was filed by Gilbert W. Gambill Jr. of the law firm of Cox, Zwerner, Gambill and Sullivan.

ISU WOODWIND, BRASS ENSEMBLE CONCERT OCT. 18

The Indiana State University Woodwind and brass ensembles will present a chamber music concert at 8 p.m. Thursday in Tirey Memorial Union South.

The program will include "Octet for Woodwinds" by Hans Stieber, "Symphony for Brass" by Victor Ewald, "Seven Epigrams for Woodwind Sextet" by Samuel Adler, "Dance of the Marionettes" by Gilbert Vinter, and "Nocturno for Turkish Band" by Louis Spohr.

Directors of the Woodwind ensembles are Stanley Petrulis and John Spicknall. Dalvin Boone and David Watkins direct the brass ensembles. All are members of the ISU music faculty.

The program is free and open to the public.

Philip Purdy Is Scoutmaster For Troop 481

After viewing recently a United Way film about agencies and services, an employee at the Clinton Laboratories of Eli Lilly Co. decided he wanted to do his part for youth in his community.

As a result, Philip Purdy now is Scoutmaster for Troop 481 of the Wabash Valley Boy Scout Council which meets at 7:00 p.m. the first and third Mondays of each month at the Fairview Park Town Hall in Vermillion county near Clinton.

Purdy said he was particularly impressed with the Scouting program "Operation Reach" in connection with drug abuse and misuse, described in the film. He then contacted the Council's Servis Center at 501 S. 25th St. for information as to procedures for organization of a Scout troop.

The troop is sponsored by the Fairview Park Volunteer Fire Department and Jeff Kelsheimer is the troop's committee chairman. Boys and parents interested in the troop may call Purdy at 832-8086, he said.

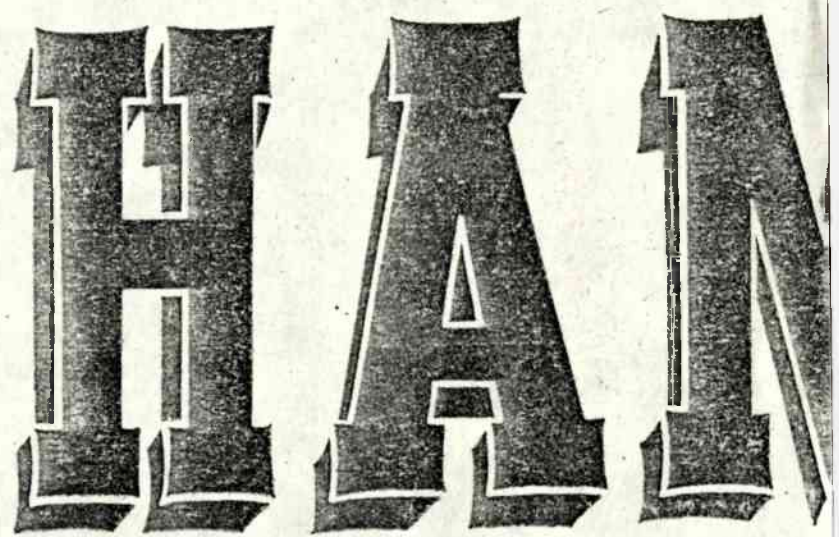
Th Purdys' son, John, is a member of the troop. The Purdys also have a daughter, Deborah.

The employee UW campaign at the Clinton Laboratories was reported Monday with pledges and contributions of \$12,000 representing a 69 per cent employee participation. Spokesmen for the employee campaign said employee involvement in the UW program was one factor in the campaign's success. The Clinton Laboratories' company gift was

11TH & LOCUST STREETS

PRICES IN

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TREASURE ISL

TERRE HAUTE TRIBUNE

Editorials

—“I may disapprove of what you say, but I will defend to the death your right to say it.”—Voltaire.

Community Affairs File CBS Leads the Way Industries (T.H.)

Once again this year the CBS complex in Terre Haute is leading the way in the annual United Way of the Wabash Valley fund-raising campaign.

The CBS complex has given the drive a \$75,500 boost. That represents the most successful United Way campaign in the history of CBS here.

In the CBS complex here are Columbia House and CBS Records Division, which includes the Record Plant, Record Manufacturing, Tape Duplicating, Injection Molding, Sales Administration and Columbia Special Products.

The record giving by the CBS complex includes \$44,500 from employees and a corporate gift of \$31,000.

Unfortunately, the overall United Way campaign is not progressing as satisfactorily as the CBS portion of the drive. Only 35 per cent of the total goal was pledged on Nov. 5, the day the campaign originally was set to close.

Campaign workers are continuing to make their calls on individuals and firms in an effort to reach the total \$67,940 goal.

We're hopeful more firms and individuals will follow the progressive lead of the employees and corporate structure of the CBS complex.

If they do, our drive is certain to be a success, even if success does come later than originally hoped.

Following two years of falling short of the United Way goal, this is a critical year for the 28 agencies served by United Way contributions.

That's why action is needed now to stop this year's campaign from duplicating the failures of 1971 and 1972.

NOV 7 1973

Reform in Franking

The franking privilege was conceived as a device for permitting members of Congress to send mail to their constituents without charge. The idea was to encourage communication between voters and their elected representatives.

The franking privilege was not intended, and should not be used, as a means of giving incumbents a big edge on their challengers prior to election. This is exactly what has come to pass. Members of Congress tend to send their constituents a great deal more mail than usual.

“Now, If You Just Put This On A
Listen Very Carefully —”



On the Line

(Reg. U. S. Pat. Off.)

By Bob Considine

NEW YORK — That stupid little correspondent from the Mars Clarion Cry is back again, by UFO shuttle, asking me — a registered Goldwater Democrat — for answers to questions he says Martians are finding difficult to com-

Slippery fellow, that Jolly Green Midget.

“Lots of us earthlings misplace things,” I explained. “That’s why every city has a Bureau of Missing Persons. If a person can be lost — like

about the President of television.” he “Why shouldn’t television?” I co- crushing. “He’s such outrageous reporting in 27 ye

CBS



J. KENNETH LEMRY

Community Affairs File

Lemry Named Vice President

AUG 26 1974

J. Kenneth Lemry has been named vice president, Terre Haute Manufacturing for CBS Records. He has been manager of the CBS Records Manufacturing facility since it opened in 1953.

Lemry began his career in his hometown of Bridgeport, Conn., in 1947 as a Management Trainee. He later became Personnel Manager and Divisional Plant Superintendent before moving to Terre Haute.

Lemry's contribution to Terre Haute has been significant. He is currently on the Board of Directors of the Chamber of Commerce, Union Hospital, Terre Haute Committee for Area Progress, Goodwill Industries and the Terre Haute Symphony.

He is on the Area Planning Commission, the Labor Committee of the Indiana State Chamber of Commerce and is active in Elks and Rotary.

Lemry holds a liberal arts degree from DePauw University in Greencastle and has attended the University of Bridgeport.

Community Affairs File

350 Teamsters Off Jobs at Columbia

Nov 1 1974

Inductee (T. 4)

Dave Southwick, CBS personnel manager, reported Friday. "We have 350 employees of Columbia House, a division of CBS, represented by Teamsters Local No. 144, now engaged in a work stoppage which became effective at midnight, Oct. 31, 1974.

"The 3,350 non-union employees of CBS Records and Columbia House are not affected by the stoppage and are continuing their regular work schedules," Southwick continued, reporting further, "Negotiations have been in process for the past few weeks."

Southwick added, "Issues resulting in the strike have not

been announced," although it is noted that the existing contract expired at midnight Thursday.

No new negotiations were scheduled, the report concluded.

Vigo County Public Library

Plastic Shortages Hit Record

Community Affairs File

Firms; Operation Here Normal

5 NOV 8 1973

By BILL MARIN
Star Staff Writer

The national petroleum shortage is hitting the record industry, but there are no serious problems yet in Terre Haute.

According to an Associated Press report, some record companies have begun cutting back on production, postponing new releases and experimenting with

different quality materials because of the growing scarcity of petroleum-based plastics used in making records.

+ + +

But John K. Lemry, plant manager of the local Columbia Records facility, told The Star Wednesday his firm, although bothered by the possibility of shortages, is operating normally. He said, "For the foreseeable future, we are okay in Terre Haute. We are still operating five days a week."

Associated Press business writer David Burke questioned a variety of record industries sources to analyze the impact of the petroleum shortage.

"The companies don't know from one day to the next what kind of supplies they will have," said Henry Brief, executive director of the Recording Indus-

try Association of America, a trade group. "It could get to be a very, very critical situation."

PRC Recording Co. of Richmond, Ind., which presses records for several major labels, has reduced its work week from seven to five days and is allocating to customers, said Gerald Sharp, comptroller.

"The problem began last spring and has been steadily getting worse. Right now we're getting only 70 per cent of the vinyl we used to get," he said.

+ + +

Capital Records has postponed the release of a dozen or more albums until the first of the year, and some marginal albums originally scheduled for production may never come out.

said Chan Daniels, a recording executive.

"Artists are going to have a lot tougher time getting record contracts, because nobody wants to press new records before they get really concrete orders," he added.

The shortage could also lead to lower quality records, as companies experiment with thinner records or substitute plastics that can be mixed with the polyvinyl chloride normally used.

Some firms, however, say they have experienced little difficulty so far. RCA for example, says it foresaw the problem and ordered enough in advance to "get us through the first six months of next year and possibly the whole year."

The main problem, industry sources say, is the shortage of petroleum feedstocks used in producing polyvinyl chloride — PVC. Compounding the problem is the sharp rise in demand in the record industry, which is up 1 per cent over last year.

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Vigo County Public Library

CBS

Columbia House — CBS — Leases Former W. T. Grant Building Here

S NOV 7 1975

By RICHARD C. TUTTLE
Star Staff Writer

Morris Landsbaum, president of Morris Landsbaum Realty, announced Thursday that negotiations for a lease on the former W. T. Grant Co. building at Brown and Wabash Avenue, had been completed with CBS in New York.

Open Testa, vice-president of operations of Columbia House, a division of CBS, stated that occupancy of the property would begin as soon as the building was made ready. He indicated that 400 employees would work there initially, with an anticipated 500 to be involved in record and tape club operations. Most of these employees will be transferred from other locations to the new location.

Landsbaum stated the 55,000 square foot building and parking lot were an ideal location for Columbia House.

"I would speculate that the

400 to 500 employees of Columbia House in this location will have a far-reaching economic effect, extending into the central downtown area," Landsbaum commented.

He remarked the facility offered easy access from Brown and Wabash Avenues, with several hundred parking spaces available in the large parking lot. Preparing the building for Columbia House will start immediately but a definite date for occupancy was not given.

Growth of the CBS operation in Terre Haute has been constant over the period the firm has been located here. The original site has been enlarged several times, most recently with new buildings for the tape plant, the cassette plant and the large warehouse completed three years ago.

Negotiations for the property have been underway for several weeks, according to Landsbaum.

"We have not been able to make an announcement until all details were resolved," the realtor-developer asserted.

The large one-story structure was occupied by the W. T. Grant Co., until over a year ago. At that time it was closed with several other stores in the midwest when the parent firm

developed financial problems. Since that time, the firm has closed practically all its stores except those in the New England area.

Adjacent to the new Columbia House location in the same building is a Standard Food store and a Hook's Drug Co. store.

Billboard 2/25/78
**Power Dim
Hits Plants
In Midwest**
Franklin County, Ohio
Ind. (C)
By ROMAN KOZAK

NEW YORK—Midwest record manufacturers, having weathered some of the worst snows in memory, are now girding for a new battle against growing energy shortages arising from the protracted coal strike.

The shortages have dimmed lights and slowed all of industry throughout the Midwest. Even if the strike is settled soon, it will take about 30 days before coal shipments resume at normal levels. However, as yet there has been no major curtailment in record production.

Among the states hardest hit is Indiana, which is 97% powered by coal

and which houses the giant CBS plant in Terre Haute, the RCA plant in Indianapolis and the PRC Recording Co. in Richmond as well as the Modern Album jacket operation in Terre Haute.

As of Monday (20), businesses in Terre Haute have been ordered by the Indiana Public Service Commission to cut their power consumption by 25%. This follows the governor's order mandating the 25% cut when a local utility is down to a 40-day reserve of coal. When the reserve will go down to 30 days, the cut will be 50%.

Ken Lemry, CBS plant manager at Terre Haute, says for the last two weeks the plant has voluntarily cut power consumption by 15%, without curtailing the front line pressing operation. He expects to be able to comply with the further 10% cuts ordered without any serious disruptions.

He says the power cuts have forced him to shut down 75% of the lights, turn down the heat and hot water and other facilities not essential to the pressing operation.

The RCA plant was operating at 90% capacity with three shifts as the weekend approached. But it was curtailing its non-essential energy use. Indianapolis has greater coal reserves, and cuts are not yet mandatory.

RCA says it is also doing everything in its power to avoid layoffs.

The PRC plant in Richmond is running normally, though a spokesman says that on Monday (20) the company will assess what cutbacks will be necessary.

Industries (TH)
**Picket line
at CBS plant**
Community Affairs File
APR 11 1978

Work was continuing "as usual" despite Teamsters' pickets at the local CBS Records plant, according to a company spokesman.

David Southwick, personnel manager at CBS, said about a dozen persons formed a picket line at the Terre Haute plant Monday in connection with a strike at a CBS plant in New Jersey.

"Business as usual" was being conducted at the local facility, according to Southwick, though he reported some Teamster union truckers were not crossing the picket line. He said he had no idea of the number of the trucks involved.

Southwick reported about 350 employees of the Columbia House Division of CBS in Terre Haute are members of the Teamsters Chauffeurs, Warehousemen and Helpers Local Union No. 144. He said they all reported to work.

Glenn Rogers, president of Local No. 144, was not available Tuesday morning to discuss any possible plans of the local union members.

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Vigo County Public Library Community Affairs File

Community Affairs File

Industries (T.H.) - C

No local jobs to be lost in CBS expansion move

By ROB ALLEN
Tribune Staff Writer

Columbia House, a division of CBS that distributes phonograph records and tapes, is to open an expansion office in Bloomington in October, according to CBS officials.

The decision will not affect employment in Terre Haute, but is a matter of locating a new office in Bloomington.

However, a major reason for starting the Bloomington plant, which will employ 100 workers by the end of the first year and eventually 200, is there aren't enough experienced typists in the area to staff an expansion here.

A CBS spokesman told The TRIBUNE Friday morning the office is to employ

T AUG 11 1978

key entry and clerical typing personnel.

The official said an earlier United Press International report which indicated CBS was "relocating to Bloomington" was misleading. He noted no Terre Haute operations will be moving.

"It's a matter of opening a new expansion office there," he said.

A Bloomington Chamber of Commerce spokesman was quoted by UPI as saying, "The basic reason for Bloomington and for this expansion at all is that the city that they're located in now has run short of experienced typists."

Donald Coopridier, assistant manager at the State Employment Division, commented, "It's just a matter of going to the source of workers that they need."

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Community Affairs File

Vigo County Public Library

Industries (T.H.) - CBS
New operation initiated

The local CBS plant initiated a new operation earlier this year and now manufactures a vinyl compound used to make phonograph records for three CBS plants, according to J.K. Lemry, a company spokesman.

The vinyl compound was previously purchased from a New Jersey CBS plant, but the manufacturing was moved to Terre Haute late last year.

Because it is essentially an automated process, Lemry said only about 20 employees were added to the CBS work force.

It is estimated the company invested between \$7 and \$8 million to construct the plant.

The compound is pro-

1 APR 18 1980
vided to CBS plants in California and New Jersey, in addition to the Terre Haute plant.

Community Affairs File

 **Vigo County Public Library**

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Community Affairs File Community Affairs File Industries - T.A.(C)

CBS workers turn down union

JAN 16 1981
By GERALD P. GRIMES
Tribune Staff Writer

Terre Haute CBS record and tape plant employees voted against representation by the International Brotherhood of Electrical Workers union by an overwhelming 2-1 majority following two days of voting this week, according to results announced late Thursday.

The union lost its bid to represent over 2,000 CBS employees by a final vote of 1,331 to 816.

"We're just happy for the support and glad that our people demonstrated their faith and confidence in us," CBS official John K. Lemry told The TRIBUNE.

The defeat of the IBEW lengthens the list of unions turned down in similar elections over the local plant's 28-year history. It is the second defeat at CBS for IBEW, according to union spokesman

Don Mahoney.

"Well, I suppose the way to explain our loss is the delay in the election date," Mahoney said. He also attributed the loss to the campaign organized against the union by the company.

"We're not sure yet if we will file objections to the conduction of the election," Mahoney said, adding that the time span between the announcement of the date and the election was too long.

Both sides conducted vigorous campaigns for employee support.

The union distributed literature, much of which promised improved worker salaries and benefits.

Based inside a former restaurant building fronting on Fort Harrison Road near the plant, teams of union workers, some from IBEW's international office in Chicago, organized the campaign.

The company did some campaigning of its own,

hiring a Des Plaines, Ill., consulting firm, John Sheridan and Associates, to assist the local plant's personnel department in counteracting the union's campaign.

Numerous pamphlets were distributed, and a "hotline" phone number was established. When dialed, the phone was automatically answered by machine playing a recording of a CBS employee who talks about the benefits of working at CBS.

Union officials levied charges in assessing their loss, alleging that management at the local plant had attempted to "scare" employees.

Company officials deny any intimidation charges, but admit to conducting ordinary management strategy sessions occasionally.

The possibility that the union will seek a future election exists, sources say, but labor laws require a year's waiting period.

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Vigo County Public Library

Industries (744)-C135
Columbia House
S OCT 17 1981
Lays Off 150

About 150 Columbia House employees were laid off from the Terre Haute plant effective Friday, company officials said.

The layoff represents a lack of business, according to John Lemry, vice president in charge of manufacturing.

Business has been up and down throughout the year and there have been

previous layoffs, he said. Employees are called back as needed.

Usually, this is the busy season, Lemry added. Two or three years ago employees were working six or seven days a week. He hopes business will increase before Christmas, but said he does not know if it will.

Community Affairs File

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Vigo County Public Library

CBS Records

Community Affairs File

Pirated recordings contribute to layoffs at

T MAY 4 1982

By DONITA HADLEY
Entertainment Editor

Management personnel of CBS Records plant are attributing part of the employment layoffs at the company's largest record manufacturing plant to financial repercussions created by the onslaught of pirate recordings done on home audio tape equipment in the past few years.

"A large part of the unemployment out here in Terre Haute is due to home taping," said Ken Lemry, vice president of manufacturing at the local CBS plant. "I do recognize, too, the state of the economy also has a major effect on our employment, but between the Columbia House Club and ourselves in the manufacturing area, we've lost somewhere around 2,000 employees in about two and a half years.

"It's difficult to measure, but we feel very strongly that (pirate recording) is a major factor (in our unemployment problem)."

Oren Testa, vice president of the CBS Columbia House Record Club, 1400 N. Fruitridge Ave., concurs with Lemry concerning nation-wide home tapings' effects on the local economy. "Between the two divisions (manufacturing and record club) we are about 2,000 people down," said Testa.

"The thing is the (recording) industry generally is down... this unauthorized duplication, or rather home recording, is a substantial portion of the industry problem," he continued.

Testa cited a 1980 study conducted by Warner Communications that reported sales losses of nearly \$3 billion annually to the recording business due to home recording. That study, he said, substantiates the overall financial effects of home recording on the industry.

The Warners study showed that more than \$2.85 billion in unauthorized copies of records and pre-recorded tapes were made in 1980. The \$2.85 billion represents more than 75 percent of the legitimate consumer purchases, said Testa, quoting the report.

Everyone who uses blank video and audio tapes — not just those who have used them illegally — may wind up paying the piper for the audio/video pirates, however.

Amendments to a current senate bill concerning home recording seek a royalty payment assessed on the manufacture of blank audio and video tape and equipment capable of home recording.

Senate Bill 1758 (the Betamax Bill as it is called) was introduced by Sen. Dennis DeConcini, D-Ariz. There are several amendments to the bill.

Testa explained that the recording industry and CBS is "very much in favor" of the amendments to the original senate bill.

The senate bill, according to Testa, removes home recording from copyright laws, but provides a "royalty on blank tapes and home recording equipment."

How much the royalty fees might amount to, said Testa, would be determined by the Copyright Royalty Tribunal which determines royalty rates.

Royalty fees would then be paid to both the performing artists and the recording industry. "What the industry is attempting to do," said Testa, "is provide the artists whose intellectual property the product is and the industry which takes the

market risks of bringing these artists to the market with some compensation for revenues lost to home taping.

"What the industry is really aiming at are those people who library copyrighted materials by copying records and pre-recorded tapes or more importantly recording whole albums off broadcast."

According to Mark Helmke, press secretary for Sen. Richard Lugar, R Ind., the senate bill was recently introduced to the senate and was sent to the commerce committee. No hearings have been set on the bill yet.

The bill itself grew out of a recent Federal Court decision in San Francisco last fall that deemed that home taping of copyrighted video materials for personal use comes under U.S. copyright laws, and that failure on the part of individuals to pay royalties on home recorded material is a violation of these laws.

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Community Affairs File

INDUSTRIES (TH) - CBS

14

THE TRIBUNE, TERRE HAUTE, IND.

MONDAY, AUGUST 23, 1982

CBS lays off 130 here;

T AUG 23 1982

By MARTIN JASICKI
Staff Writer

Officials with CBS Records today confirmed reports that an additional 130 persons were laid off Friday at the local plant, cutting to 2,500 the number of workers still getting paychecks from the record and tape firm. Three years ago, the Terre Haute plant employed 5,500 workers.

The latest cutbacks involve production workers in the tape and records departments, according to spokesman James Abbinett.

A week earlier, CBS announced that 30 management and clerical employees were laid off at the local plant.

Abbinett neither confirmed nor denied if additional

layoffs would be considered at the Terre Haute facility, or if the plant was earmarked for closing.

"It's hard to predict," he said. "If business does not get better, you lay them off. On the other hand, it could get real busy next week and we might need to bring back 15 or all 130 workers."

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BUSINESS INDUSTRIES (TH) "C"

OCT 12 1982

CBS closing record-

By JAN CHAIT
Staff Writer

Some 1,250 Terre Haute workers face unemployment at year's end with today's announcement that CBS Records will cease all manufacturing operations in Terre Haute.

The announcement came after months of rumors that CBS would shut down the local manufacturing portion of the plant.

Robert Altshuler, vice-president for press and public affairs, CBS Records Division, New York, was in Terre Haute today to announce the plant closing.

Altshuler's announcement said that CBS Records will consolidate its recorded music manufacturing operations including audio disc and cassette production into facilities in Carrollton, Ga., and Pitman, N.J.

No fixed date exists for shutting down manufacturing operations. Each department will be phased out separately with employees to be given a minimum of two weeks' notice, Altshuler said.

Employee transfers to other manufacturing plants will be considered on an individual basis.

The Terre Haute plant is the oldest manufacturing plant in CBS' operations.

Altshuler said CBS worked with an independent research organization to "analyze objectively what our manufacturing activities are. They looked at work here and elsewhere and made certain recommendations. The decision was made if we were going to increase efficiency, which includes manufacturing, with the best set of cost factors, it would make sense to consolidate with plants in Carrollton and Pittman. It was a very strong recommendation of the research firm."

Cost was a factor as well as efficiency Altshuler said. But he emphasized that "CBS is not leaving the city. We are still the largest employer in the city."

Altshuler also said the compound manufacturing will still be here. That department makes the vinyl which is used in records in all the other plants. Though it is a small department, Altshuler said workers will still be employed.

"Terre Haute is still very important on the CBS map," he said.

Columbia House, CBS's record club, which employs more than 1,000 workers locally, will continue to operate here in at its current levels. Columbia House is the largest direct marketer of pre-recorded music in the world.

That facility will move from the leased facilities it now occupies at 3235 Wabash Ave. into the 1400 N. Fruitridge Ave. manufacturing plant as manufacturing operations there are phased out.

Executives throughout the CBS chain of command repeatedly refused to comment during recent weeks on the flood of rumors that had circulated locally regarding the plant closing.

"There are rumors of all kinds about CBS closing down," Altshuler said during a telephone conversation Friday. "Ever since I can remember, there has been one rumor after another."

Today the rumor came true.

Altshuler said today that the final decision was reached

in New York Monday.

Mayor P. Pete Chalos had said about a week ago that the city was doing all it could to encourage CBS to keep its manufacturing operation in Terre Haute.

"We're cleaning up and paving roads," the mayor said. "We conversed with them about problems in the industrial park. We've taken over some of the streets and are working with the water company."

"We want not only what's good for Terre Haute, but what's good for CBS as well. CBS has been good for Terre Haute and Terre Haute has been good for CBS."

The recording industry as a whole has suffered a steady decline in profits over the last three years. CBS, the industry's largest manufacturer of tapes and records, is Terre Haute's largest employer.

CBS's 1981 annual report states that profits in its records group declined from \$63.7 million in 1980 to \$48.6 million in 1981.

"Inflation, piracy and Pac-Man" is what J. Ken Lemry, vice president in charge of manufacturing at the local plant, blamed for part of that decline in record and tape sales.

A high jobless rate, the influx of record rental stores (which can be placed in the same slot as "piracy") and the announced closing of some department stores can also be blamed.

Lemry said that about three years ago, the Terre Haute plant ran three shifts and employed 5,500 persons, including the Columbia House record club. That had slipped to one shift and about 2,700 or 2,800 employees, in recent months, Lemry said.

Columbia House was transferred to CBS's Records Group in November 1980.

Piracy and record rental stores have played a significant role in the recording industry's need to take a new look at its manufacturing and marketing strategies.

An article in the Oct. 9, 1982, issue of Billboard magazine that 133.76 million tapes designed and advertised for the copying of music are expected to be sold this year.

A spokeswoman for the Recording Industry Association, an industry group, said it is backing legislation which would legalize home taping by altering the first sale doctrine.

That doctrine, she explained, says that the rights of the copyright holder extends only to the first sale. That allows a store which purchases a recording to do what they want with that recording.

One of the things which is happening under the present doctrine is that record rental stores are beginning to spring up across the country, she said.

The spokeswoman added that Japan has had record rental stores for the past 1½ years. During that period, retailers near the record rental stores found that their sales dropped an average of 30 percent.

The announced closing of Woolco stores across the country, including the two stores here, will cause the music industry to lose another \$60 million annually, according to the Billboard report.

manufacturing plant

All factors weighed, CBS vice president states

T OCT 13 1982

By JAN CHAIT
Staff Writer

"All the factors were weighed," Robert Altshuler, CBS vice president for press and public affairs, said Tuesday in describing the closing of the Terre Haute CBS Records manufacturing plant as a "very, very difficult decision."

"It's obvious that if you're doing manufacturing activities of a similar nature in three locations, your overhead ... costs come down considerably when you are down to two locations instead of three."

Some of those cost savings were detailed in a memo to "officers and department heads of CBS, groups, divisions and subsidiaries" of the Columbia Records Group organization from Walter Yetnikoff, president of the CBS Records Division in New York.

"This consolidation will result in a one-time, pre-tax charge to income of approximately \$11 million in the third quarter, in return for an expected cost savings from the plant closing of over \$5 million annually," the memo read in part. The pre-tax charge is an expense involved in closing the plant.

CBS does have plans to assist the

1,250 persons it is terminating in finding new employment.

Seymour Gartenberg, CBS Records Groups senior vice president for finance and administration, also in Terre Haute Tuesday, said the decision to close the local plant had nothing to do with productivity of the workforce.

Remaining in Terre Haute will be Columbia House record club, employing almost 1,000 persons and the compounding facility, which makes all the vinyl used by CBS.

After manufacturing is phased out here, Columbia House will move from its leased facilities at 3235 Wabash Ave. into the manufacturing plant.

Columbia House Division will initially occupy about two-thirds of the space at the manufacturing plant. Gartenberg, however, said the division "has a number of very interesting test programs in the works ... video cassettes, video disks and, hopefully, we will set them up with a test program on video games.

"If any one or all of these programs should be successful, I don't think we'll have any problems filling the space — that's not a promise, that's a hope," the CBS executive said.

Community Affairs File

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Community Affairs File

Industries TH-C

Workers too numb to notice conditions

T OCT 13 1982

CBS move comes on gray day in city

By SUE LOUGHLIN
and ROBIN SCHULBERG
Staff Writers

Tuesday was a gray day in Terre Haute. The sky was overcast and the air was nippy.

But most of the 1,250 workers in CBS Records manufacturing operations were too numb to notice.

Tuesday was the day when "the men from New York" finally arrived and 10 a.m. was the time

"Am I still bleeding? My throat was cut this morning," said a machine operator.

when company officials summoned workers to a meeting in the tape plant to announce that manufacturing operations would shut down by the end of the year.

"Am I still bleeding? My throat was cut this morning," a machine operator said as he pulled on his Budweiser at a tavern after work.

He was halfway joking — but the hard reality was that he figured he would have to leave Terre Haute to get another job.

It was a surprise and yet it wasn't. Rumors of a shutdown had been circulating for months. Some said that they'd been expecting it ever since the company decided to build another plant in Carrollton, Ga. Some said that ex-Terre Hauteans who had transferred to Carrollton had called back to Terre Haute with dire warnings. Some knew that high officials from New York headquarters were expected in town for an important meeting.

But nobody knew Tuesday would be the day.

So they were shocked, numb, trying to comprehend what it would mean to be able to "sleep in" mornings, as Barbara Kingiry put it.

"It's very sad to think that one day you have a job and one day, after 17 years, you don't," she said.

Near 4 p.m. Dolly Wright, Mildred Wilguess and Virginia Schornick strolled out of the gate together. Wright and Wilguess started work at CBS in June 1959. Schornick joined them five years later.

"It's always been like one big family," Wright said. "It's sad they'll be breaking us all up."

Wright, like others, said that she wasn't angry, that there was no one to blame. After all, the plant had been running below capacity for more than a year and you can't make records that you can't sell, some said.

But bit-by-bit, bitterness and anger crept into conversations.

"Common labor — that's all I ever knew," said 53-year old Paul Bedwell. "It's rough when you have to start over."

Bedwell, a 13-year CBS veteran, said he had

"It's always been like one big family. It's sad they'll be breaking us all up," said Dolly Wright.

worked at three other plants that had shut down. He was a church-going man and usually didn't speak in anger, he said, but now he would undoubtedly lose his car.

"You asked if we were angry?" said Wright. "We're angry at President Reagan. We think he's responsible for it."

"They're saying Reagan lost 1,250 votes," Rick Manwarring said. "They're saying that at least when the Democrats were in, we were working six days a week."

They said they didn't want to blame CBS. They

said it had been a good company to work for. They said they could even forgive the decision to build the Carrollton plant, even if it was the death-knell of the Terre Haute facility and even if it was deliberately built to give the company a source of cheaper labor.

"You can't be angry; it makes good business

"Common labor — that's all I ever knew. It's rough when you have to start over," said 53-year-old Paul Bedwell.

"You can't be angry; it makes good business sense. They go to Georgia and we lose our jobs and homes," one worker said.

sense," one worker said. "They go to Georgia and we lose our jobs and homes."

People in Terre Haute worked seven days a week when orders were up and the company needed them, a management employee said.

"We've done a lot of good for this place," said another worker. "I'm pretty let down because they're moving out and leaving us holding the bag."

"They use what they want out of a person and then they get rid of them," Larry Bennet said.

Some speculated that had a recent union drive succeeded, workers would have had more advance notification. Others speculated that the plant might have stayed open were it not for the threat of unionization.

Workers said they wouldn't be as worried if other jobs were available. But in an already depressed local economy, one worker said that the CBS closing could be "devastating," not just for individuals, but for the city as a whole.

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'I'm in shock' — James Hall



'I'm taking it in stride' — Maureen Reedy



'I can't believe it' — Janett Burns

Closing CBS will hurt four counties in area

S OCT 13 1982

By DICK ROBINSON
and CHARLES MALOOF
Staff Writers

The closing of CBS Records will have a "drastic" effect on the four counties making up the Terre Haute metropolitan area, said James A. Dowell, labor market analyst, Indiana Employment Security Division.

"The CBS action means a lot of permanent jobs are going to be lost in Terre Haute," Dowell said. "It's a little early to determine the exact effect until we can see some time frames develop and plans materialize."

Dowell said there are nearly 8,500 unemployed persons in the four-county area his office serves, and with the CBS Records closing, and recent Woolco announcement to close its stores, the number of persons without jobs would swell to nearly 10,000.

"A gradual phase out is not as severe as closing all at once," Dowell said. "But, I look for a ripple effect in the community with the loss of more job."

He said certain businesses will not need as many employees because there will be fewer customers because there will be fewer people spending money.

"A bank might not need as many tellers if there isn't as much money to deposit, or a store may need less clerks if fewer customers are coming in," Dowell said.

A heavy influx of persons seeking his agency's service might cause additional personnel to be

hired, especially in the claims section, Dowell said. However, the governor has placed a freeze on hiring new state employees.

Figures are incomplete on which firm might now be the area's largest employer. There is speculation that it could be the tax-supported state university.

Using the most recent figures provided by the Indiana Employment Security Division, the loss of an estimated 1,400 jobs at the CBS facility will reduce by more than 25 percent the number of persons in the area involved in the manufacturing of durable goods.

The employment security office at Terre Haute classifies CBS, the portion to be closed, as a manufacturer of other durable goods. The closing will reduce the workforce in this type of manufacturing by more than 50 percent.

It was reported that in August, 5,600 persons in the Terre Haute metropolitan area were involved in the manufacturing of durable goods. That figure was 1,600 lower than what was reported for August 1981. CBS Records falls in the durable goods category as a maker of other durable goods. The August report for the Terre Haute Metropolitan area showed 2,500 persons working in the manufacturing of other durables. A year ago, 3,400 were employed in in this type of manufacturing. The closing will will more than double the number out of work in this type of manufacturing.

Columbia House, CBS's record club, is classified as a retail business by the employment security division.

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Community Affairs File

Bax Industries (TH)

Community Affairs File

CBS Records closing adds to parent's third-quarter loss

OCT 14 1982

CBS Inc.'s earnings plunged 68 percent to \$18.5 million in the third quarter, the company said, citing the costs of retrenchments in its cable television and recording ventures.

"Our financial results for the third quarter reflect both difficult business conditions and the effect of important steps we have taken to reposition our businesses," said CBS President Thomas Wyman.

A decision to close CBS Cable, an advertiser-supported cable-television service featuring cultural entertainment, reduced earnings by \$10.1 million, or 36 cents a share. CBS said those figures included the \$3.6 million in operating losses of the cable television venture for the entire second half of this year and \$6.5 million in losses on the disposal of its assets.

Earnings were reduced by \$5.6 mil-

lion, or 20 cents a share, through the decision to close the manufacturing plant at Terre Haute.

The company said that while revenue rose 9 percent from its broadcast group, profit declined, "reflecting the impact of sharply higher first-year costs associated with new contracts for television sports events, expanded news programming" and its new network radio service directed at young adults.

Profit for the quarter came to 66 cents a share compared with earnings of \$58.7 million, or \$2.11 a share, in the third quarter of 1981. Revenue declined 2 percent to \$958.1 million from \$973.6 million a year ago.

For the first nine months of the year, profit fell to \$76.8 million, or \$2.74 a share, from \$122.3 million, or \$4.38 a share last year. Revenue rose to \$3 billion from \$2.94 billion.

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Buoy Industries T. H. C.

CBS closing poses severe blow to area; How will we react?

Ts OCT 17 1982

There is no softening the blow of CBS Records' decision to close its manufacturing plant in Terre Haute.

There's no softening the personal effects on the 1,250 or so employees who by year's end will have lost their jobs — plus the 3,000 or so who already were on layoff.

There's no softening what the resulting unemployment will mean to Terre Haute's economy.

The economic and social impacts will be devastating.

But it's too early to put Terre Haute in a coffin; as with Mark Twain, reports of Terre Haute's death are exaggerated. The community pain of losing a major employer is uppermost in our minds now, still just a few hours after an announcement that we had feared for months. And it would be purely Pollyannaish to suggest that this is just a little setback. But we're confident that Terre Haute will survive this — if it wants to and, more than wants, acts.

One of the first acts is for us all to quit casting blame toward CBS, Terre Haute's leaders, the Republicans, the Democrats. And most of all Terre Haute can't blame itself.

The decision to close the manufacturing division here was economic, not personal. And from an economic standpoint, CBS made the right choice, and in at least some ways of which we're aware it has acted with regard, rather than rebuke, toward its employees.

Consider: Had CBS chosen to close its Pitman, N.J., plant, it would have idled some 850 employees in a community of 10,000. Had CBS pulled out there, it would have left nothing behind except empty buildings and an unemployment problem that might have been more profound proportionately than the effect of 1,250 unemployed in the Terre Haute area population.

At least Terre Haute will still have 1,100 or so CBS employees left — most at Columbia House and a handful at CBS' vinyl compounding facility. And at least CBS will have no empty buildings in Terre Haute — the Columbia House building on Wabash

our view

Avenue is leased.

Too, CBS did the right thing in announcing its decision more than two months before the final manufacturing employee will punch the time clock for the last time.

Given the business nature of CBS' decision, there's probably little short of no taxation and free money that Terre Haute could have done to keep CBS Records here. So Terre Haute can at least take some heart that it didn't lose CBS because it is a bad town, but because Pitman and Carrollton, Ga., are better businesswise.

Said Seymour L. Gartenberg, a CBS Records senior vice president: "This (Terre Haute) is a superb work force, it has always been a superb work force and it (the closing) doesn't have anything to do with product quality. The plant turns out a first-rate product."

And Mayor Pete Chalos was quite right when he said, minutes after learning of the closing: "We feel we have an excellent work force; as a city we go all out to help business and industry to come in and stay. But there are factors way beyond our scope."

So what can we do? The simplest question is the hardest to answer. But that is what the community must do.

The community's leaders from business, industry, government, education and other fields are persons best equipped to answer the question through a process of dealing realistically but positively with Terre Haute's future. To some extent that process has begun through GROW Terre Haute and associated projects.

But much more needs to be done if Terre Haute is to act aggressively to overcome the blow that CBS Records' closing has dealt it.

All of us have to hold out the hope that Terre Haute has the will to act quickly and aggressively to begin to counterbalance the effects of CBS' closing.

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Community Affairs File

Community Affairs File INDUSTRIES - TH - C

CBS 'pink slipping' process slower than expected

By JAN CHAIT
Staff Writer

OCT 30 1982

Only 167 pink slips — about 100 less than expected — were distributed to CBS employees Friday.

"Some work came in," said Robert Altshuler, explaining why the actual amount of layoffs netted out at 167 persons rather than 260 to 270, as CBS officials had originally thought.

Altshuler is the vice president for press and public affairs for CBS Records Division in New York.

The layoffs mainly affected workers in the tapes and cassettes manufacturing and 12-inch pressing departments.

CBS Inc. announced Oct. 12 it would be closing its manufacturing plant here. Operations at the factory will be phased out by the end of this year and Columbia House record club will move from leased facilities at 3235 Wabash Ave. into the main plant.

The corporation will be assisting the 1,250 employees affected by the shutdown by offering such

things as workshops on job finding. Those employees will also be given extended medical benefits and most will receive severance pay.

Employees who have been with CBS for 10 years or more will receive a pension, either in monthly increments or a lump sum, depending on individual circumstances. The number of persons affected by the shutdown who are eligible for a pension is estimated at 75 percent.

Altshuler said Friday that CBS Inc. will also be

offering free retirement seminars to its employees which will address some of the concerns persons have about retiring. Those seminars will be conducted by the corporation's personnel employees.

"There are people in the company who are familiar with that stage in life," he said.

He also said that employees having questions about their particular circumstances regarding the plant closing should contact the local personnel department.

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Business & Industries (W.U.) T NOV 2 1982

Ex-CBS employee loses benefits bid

A former CBS Records employee, who claimed she quit because she was forced to work with hazardous chemicals, has lost her bid for unemployment benefits.

Anthony Tanoos, attorney for Cindy Beck, said Monday that Beck's appeal of a previous Indiana Employment Security Division decision to refuse her benefits was denied on the grounds that she presented insufficient evidence to support her claim.

"We don't agree," Tanoos said.

Beck is awaiting further medical reports to decide whether to appeal hearing officer Donn Gossom's Oct. 29 ruling and whether to join a suit by three former CBS employees who worked with Beck against the manufacturers and distributors of the chemicals, Tanoos said.

Beck began work at CBS in 1976 and resigned in July.

In mid-October, Ruth Vicars, Joyce Williams and Phyllis Vanatti

filed an \$11 million suit against seven chemical companies which they alleged were involved in the manufacture and distribution of chemicals used in CBS's "Mark Andy" room. The suit didn't name the chemicals, but one of them has been identified as perchloroethylene, commonly known as "perc."

The women say they incurred nervous-system damage from exposure to the chemicals.

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S NOV 25 1982

Area officials view effects of CBS plant closing

By SUE LOUGHLIN
Staff Writer

Government, labor and consumer leaders discussed all aspects of the CBS plant closing at this week's "Facing Unemployment" session: the reasons behind the closing, ways to avert a similar disaster, and the road to economic recovery.

Those seeking re-employment were told to make themselves "human" to agencies where they apply for assistance.

The session, the third in a four-part series sponsored by Family Service Association, focused on re-employment, as well as government and industrial response.

The second panel discussion included Mayor P. Pete Chalos, State Sen. Farrell Duckworth of Bloomington, State Rep. John Thomas, Merv Nolot of WCIEDD, George McCullough, labor liason for United Way, and Noel Beasley, of the Indiana Citizen's Action Coalition.

Moderator Michael H. Eldred asked for comment on three theories speculating why CBS decided to close its Terre Haute plant. The theories included: efforts to unionize; excessive corporate taxes in Indiana; and Terre Haute being classified as an "undesireable" town in which to live.

The theories drew a swift response from McCullough, who said the discussion was out of place in a series designed to assist the unemployed. "It's irrelevant and should not be a part of the discussion," he said.

He went on to refute each of the "theories."

arguing that Indiana has one of the best tax structures in the country, particularly for manufacturing. He also referred to positive comments from CBS management officials that Terre Haute is a "good place to live."

As for unionization efforts, he said that "any organization that wishes to carry on a legitimate relationship with employees not only welcomes — but encourages" unions. He said that unions are a tool which equalize management and labor.

He said that the cost of labor by itself has never lead to the "demise" of any organization.

He attributed the CBS closing to the "profit-motive," with the new facility in Carrollton lending itself to more automation and less expense for training labor.

Chalos said he has made it a point to improve relations with plant managers in the area. If the city knows ahead of time that a plant may close, it can consider various forms of assistance.

And people must remain optimistic, he said. "Terre Haute must look to the future. Anyone who looks to the past doesn't have a future."

In attempting to attract new industry, Terre Haute must highlight its assets including its educational facilities and labor force.

Duckworth urged union leaders to work with the local Chamber of Commerce in attracting industry — despite their traditional differences. A supporter of plant closing legislation, he believes that passage this year "has a better chance than it's ever had."

In a prior panel discussion, a staff member from the Indiana Employment Security Division urged job hunters to "become human" to agencies which can help them.

"We have more than 10,000 applications at the present time," IESD's Brenda Wagner said. "They are pieces of paper."

She urged the unemployed to talk with IESD staff on a personal basis, and to show up regularly to discuss progress in their job search.

"Be a human being wherever you go, and don't just settle for being a piece of paper," she told the group of about 25.

Representatives of the Private Industry Council and Ivy Tech agreed.

Mary Shouery, of PIC, told the unemployed not to wait until the last minute to seek help. "We get a lot of people in the office who have waited to the last minute until they are desperate," she said. Such people are usually tense, and do not create a good impression.

"Start looking right away. You will be doing yourself a big favor in the long run," she said.

Indiana State University is still hiring people, according to Michael Pyatt, employment manager there.

Most of the openings are based on vacancies, and are usually clerical or custodial positions. He noted that ISU will be the city's largest employer once CBS is gone.

He estimated ISU's workforce at 2,200.

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Vigo County Public Library

Community Affairs File

BUS. & IND. (WAB. VAL)

About 200 CBS Records workers avoiding wholesale shutdown

By JAN CHAIT
Staff Writer

Although the majority of the workers at the CBS Records tape and record manufacturing plant face their last day of employment here today, some workers will remain on the job a bit longer.

About 200 persons in 8-track tape production and warehousing operations are expected to continue working until sometime in January.

Some maintenance workers also will remain on the job to assist in shipping equipment out of the local plant.

It was also recently announced that Terre Haute is one of several sites under consideration by CBS-Sony Inc. for location of a \$20 million compact disk production plant which would, in the early phases, employ about 100

persons. A CBS spokesperson said today that a decision on that effort is yet to be reached.

CBS Inc. announced Oct. 12 that its record division would cease all manufacturing operations in Terre Haute by the end of this year.

Plans are to move Columbia House, CBS' record club, from its present location in leased facilities at 3235 Wabash Ave. into the space vacated by the manufacturing plant.

Columbia House, which employs about 1,100 persons, will continue to function here.

"We have every reason to expect that (Columbia House) will continue at its current levels and we are going to remain in Indiana," said Robert Altshuler, vice president for press and public affairs, CBS Records Division, New York, during an interview Oct. 12.

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CBS-Records

Community Affairs File

BUS + IND - WABASH THE TRIBUNE

T JAN 26 1983

CBS Records closes final tape line

Terre Haute's CBS Records manufacturing plant closed down its last remaining production line today. Now all that's left of its once-bulging employment roster are a few custodial workers, according to company officials.

Although most of the factory workers had left by mid-December, some employees remained to manufacture eight-track tapes to fulfill a contract.

The custodial workers are to pack up machinery and equipment for shipment to the company's other locations and help prepare the space for new operations.

The corporation's tape and record manufacturing plant and record club once combined to make up Terre Haute's largest single corporate employer. Just three years ago, 5,500 workers were employed at CBS here.

Economic and corporate conditions helped drop that level to a little more than 2,300 workers when the corporation announced it was suspending manufacturing operations here, leaving the 1,250 employees remaining at the factory jobless.

Manufacturing operations have been consolidated into CBS' two remaining U.S. plants in Pitman, N.J., and Carrollton, Ga.

Remaining in Terre Haute is Columbia House, the company's record club, and the vinyl-compounding facility which makes all the vinyl for CBS' records.

Columbia House will be moving from leased facilities at 3235 Wabash Ave. into the vacated warehouse as soon as the necessary structural changes have been made to accommodate that operation, said Robert Altshuler, vice president in charge of media relations at CBS Inc., New York.

Community Affairs File

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Vigo County Public Library

City Council paves path for Columbia expansion

By Joe Baker

Tribune-Star Staff Reporter

Terre Haute City Council cleared the way toward granting CBS-Columbia House tax relief for turning old factory space into two new mail-order businesses that are expected to provide 150 new jobs.

The council, in a special meeting Friday, voted unanimously to adopt a resolution granting a 10-year tax abatement on the estimated \$6 million that CBS officials plan to put into factory remodeling, roof and building repair, air-conditioning and other work.

Oren Testa, a CBS spokesman, told the council an anticipated 8 percent increase in mail-order business next year, on the heels of an 8 percent rise this year, can mean the 150 new jobs will need to be filled by mid-1984.

He added that less-than-expected mail-order demand this summer resulted in only 20 new hires after 40 to 50 had been projected.

Testa, responding to a query from Councilwoman June Chanley, D-1st

District, said the new jobs will be filled from the immediate area, giving laid-off CBS workers "some priority."

The new hirings will bring the 1,100-person workforce to around 1,250, Testa added.

The two new businesses, in addition to the already existing tape and record business, will be for the sale of home video tapes and cassettes and also home video games.

The approved tax-abatement resolution now goes before a hearing of the state Board of Tax Commissioners.

The abatement, which is granted only on amounts in excess of original investments, gives total tax relief in the first year, followed by between 5 and 10 percent increments each succeeding year until the full tax liability is realized in the 10th year.

The two new businesses explain what CBS intended to do with facilities not included in its sale of record division facilities to Digital Audio Disc Corp., announced earlier this year.

The Digital property has already qualified for tax abatement.

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Community Affairs File

CBS/Sony

Business

Digital audio sales surge as industry lowers prices

OCT 14 1984

By James F. Peltz
AP Business Writer

NEW YORK (AP) — The compact disc player, expected by its makers to replace the conventional stereo system within a decade, is beginning to enjoy its anticipated sales surge now that prices are falling.

Digital Audio Disc Corp., a Terre Haute-based disc maker that is jointly owned by Sony Corp. and CBS Inc., is one company looking for better things. Digital estimates disc sales will climb to 9 million industrywide this year.

The players, which began arriving on U.S. soil from foreign manufacturers in March 1983, initially cost about \$1,000. But some audio retailers are now selling versions of the machines for as low as \$350, and prices of the discs have dropped to as low as \$13 apiece from \$25.

Only about 35,000 compact disc players were sold in the United States last year as the earlier high prices kept away most consumers — save the ardent audiophiles.



Sales are up: For audio discs.

Community Affairs File

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Vigo County Public Library

But with prices coming down, industry watchers expect between 200,000 and 250,000 players to be sold in 1984, and the producers of compact disc equipment hope the system will catch the same fire as did videocassette recorders, whose annual shipments now total several million after prices fell sharply.

In addition, the manufacturers involved in producing compact disc systems have agreed on a standard format, so that a disc made by one manufacturer can be used on a player made by someone else. In this way, the companies hope to avoid the confusion that initially accompanied videocassette recorders, which come in two main

formats — VHS and Beta.

Disc sales totaled about 1 million last year, and this year should reach 4 million, forecasts Emiel Petrone, senior vice president in charge of compact discs at Polygram Records Inc., a leading maker of conventional albums and the discs.

As a result, in "between seven and 10 years the compact disc will be outselling the album," Petrone predicts.

These promising forecasts of the compact disc system's revolutionary effect on consumer audio habits have accompanied the system since it was unveiled in the

early 1980s.

Conventional stereos use a stylus, or needle, to read sound that is engraved in the grooves of the vinyl album.

The disc players, however, employ a laser beam that reads digitally encoded microscopic pits and plateaus that are embedded on the disc — making it much less prone to distortion and background noise than conventional systems.

Moreover, a plastic coating protects the disc from dust, dirt and scratches, and since the disc's surface is essentially untouched, it is considered nearly indestructible.

And because the music is contained in digital form — the language of computers — many disc players can be programmed to play selections on the disc in any order.

Sony, whose "Walkman" launched the industry trend of portable tape cassette players, earlier this month introduced a portable compact disc player measuring 5 by 5½ inches. The player, called the D-5, will sell for less than \$300. Sony also introduced car stereos using the disc format.

The decline in prices for compact disc systems in part reflect stepped-up production, which has improved the manufacturers' efficiency per unit produced.

But industry officials also acknowledge that the price cuts were a marketing move designed to quickly attract the attention of the broad public, especially the recording industry's biggest market — teen-agers and young adults.

Indeed, "the awareness level (of the system) is not as high as we wish it would be," acknowledges John Briesch, vice president for audio marketing at Sony Corp. of America.

Petrone agrees, saying the "biggest struggle ahead of us is to educate the consumer as to what the technology actually does."

Several producers of both the players and discs are joining efforts to bolster consumer understanding. For example, Polygram and Magnavox — the unit of NV Philips of the Netherlands that together with Sony first introduced the players — are offering their products to record stores at discounted prices. The object is to further entice the retailers to at least carry a demonstration model that could trigger disc sales.

Says Petrone, "We've found the demonstration to be the most effective selling tool."

Columbia House

Community Affairs File

T's NOV 3 1985

Business + Industry (wu)

Local firm records its 30th year of business

By Jan Chait
Tribune-Star Staff Reporter

It starts when Susie sees an ad in her favorite magazine and decides to "make the coming Holiday Season the merriest ever by taking advantage of this great offer from the Columbia Record & Tape Club."

Susie marks her 11 selections for a penny (plus \$1.85 postage and handling), slips it in an envelope with a Terre Haute address on the outside, slaps a 22-cent stamp on the upper right corner and mails it off.

Eventually, Susie's name is added to the more than 5 million on the club's active customer list.

Perhaps the first impression one gets on a walk through the Columbia House Division of CBS Inc. is that everything is done Texas-style.

With 500,000 square feet under roof at 1400 N. Fruitridge Ave., the physical plant itself is huge, but that's not all; the sheer size of the numbers offered up by the various departments are almost overwhelming.



Tribune-Star/Jan Chait

Pickin' up the hits

Columbia House "pickers" fill cassette tape orders for some of the mail-order firm's 5 million or so active customers. The company's

nearly 1,200 employees and their families will celebrate the firm's 30th anniversary today with an open house.

Taking Susie's order through the process, this is an idea of what happens:

- As the order makes its way through the postal system, it eventually ends up in a mail-sorting operation in Indianapolis. Each of the six to eight mail-sorting machines there, which handle all of the state's incoming mail, have three of their 300 separations devoted entirely to Columbia House, Terre Haute Postmaster Robert Huffman said. More than half of the mail processed through Terre Haute belongs to Columbia House. "If it weren't for them, I may as well just go home," Huffman says.

At Columbia House, Susie's envelope goes to one of 14 machines, each capable of opening 1,500 pieces of mail an hour. It's one of 26 million pieces of mail which goes through that division each year.

If Susie had just sent in a post card, it would be one of more than 51.5 million cards Columbia House receives each year, Manfred Fleischer, traffic manager, said.

Not all have an order marked on them; some merely instruct the club not to send the selection of the month.

- Her card most likely will be read by one of two electronic scanners, as are between 85 and 90 percent of all cards received. Ones which have been "stapled, spindled or mutilated," as they say, must be read by a worker.

Sue Pickard, supervisor of order processing, said the scanner which cannot read hand print, can process 17,000 cards each hour; the one which reads handwriting can process 6,000 cards an hour.

Columbia House is getting a machine which can sort 20,000 order cards per hour. Pickard said the 10 to 20 workers who now sort

about 3,200 cards per hour will be assigned to other tasks after the machine is installed.

Susie's check joins more than 1 million others processed each month. So many are processed that the bank deposits section of Columbia House operates as a bank, depositing the money directly into the federal reserve system. Ninety-two percent of the checks received are full payments, said Harold Hayne, supervisor of bank deposits and clerical operations. That eases processing and cuts down on time.

- If Susie has a question (such as, "Why didn't you send me Mozart's Greatest Hits, like I told you to?"), her query will join about 300,000 others which go to the customer correspondence unit.

Someone like Susan Thiel will read her inquiry, decide what action needs to be taken, and will formulate a response from more than 800 precoded paragraphs located in the computer system.

If Thiel can't formulate an appropriate response from among those 800 paragraphs, she can enter the word processing system and write a totally original letter.

- Behind all this is the club's IBM System 370-3081 Model K computer, which is capable of processing 14 million instructions per second. Enough disk space is available to record more than 50 billion characters. In the tape library are more than 20,000 reels of tape — about 9,000 miles worth.

- Susie's order wends its way into the distribution center, which consumes 300,000 square feet. That's the equivalent of eight football fields.

Don Jones, director of distribution, said there are about 7.2 million units of tapes, records, T-shirts and what-have-you stored in the warehouse right now. That

reaches 9 million units during peak seasons. "We're at a low ebb right now," he said. Peak seasons are mid-December through March and in July and August.

A picker will take Susie's order in hand and walk around numbered racks, pulling out a Bruce Springsteen album here or a Madonna cassette tape there.

"Some of these pickers will walk in a circle approximately 10½ or 12 miles a day" filling orders, Jones said.

Oldtimers don't even have to look at the numbers; like a touch typist or a concert pianist, their hands work by rote, reaching blindly to just the right spot.

- Finally, Susie's order is boxed up and shipped out. Mickey Mewhinney, director of mail process for the U.S. Postal Service in Terre Haute, estimates that Columbia House spends about \$20 million on postage each year. That's not nearly as much as it would be if the firm didn't do most of the sorting itself. Still, Mewhinney says, "they do a sizeable amount of business with us."

Do they ever. Between 25 and 26 million units of product for Susie and millions of others are pulled and shipped each year. A unit can consist of one or many items. There are about 3 million — returns processed.

And it doesn't stop with shipping.

About four weeks after Susie placed her order, she'll get more mail from Columbia House.

About 1 million units of sales promotion mail goes out of Columbia House each week, Jones said. Ten insert machines, each capable of processing 3,000 units an hour assist in putting together the packages which are shipped to customers.

"We try to match the literature to the individual customer and his or her interests," Jones said.

Most of the literature is printed in Columbia House's own print shop. This year, that shop will process more than 180 million documents.

As if all that weren't enough work, there's more coming.

"The first quarter next year, we'll launch a club specifically for compact disc owners," a company spokesman said Thursday. It'll be called — what else? — the CBS Compact Disc Club.

Columbia House added compact discs to its tapes and records catalogue about a year ago.

Also during the first quarter of 1986, Columbia House plans to test the market in Great Britain. If the test is successful, a club will be started there as a joint venture between Columbia House and CBS Records United Kingdom Ltd.

Record manufacturing, data entry and distribution for that operation will be done in England; computer file maintenance will be done on the computers in Terre Haute.

In addition to selling records, 8-track and cassette tapes and compact discs, Columbia House markets video movies, some merchandise items such as T-shirts and posters, video games and software.

Video games and software, however, are being discontinued. "It's a dying business," a spokesman said.

Underlying everything, however, are two basic premises at the company, one person said succinctly, but with a chuckle: "Get the box in the mail; get the check in the bank. Do both as quickly as possible."

Teamsters ratify contract with CBS

SEP 24 1987

Business and Industry (U)

Teamsters Local 144 members ratified a three-year labor contract with CBS Inc.'s Columbia House Division in a meeting Tuesday evening at the Operating Engineers union building on U.S. 41.

Max Pinkerton, vice president of operations for CBS, confirmed Wednesday that the contract with the union — covering distribution and warehouse employees — was ratified.

"I believe that, mutually, it is a good contract for both sides," Pinkerton said. "We have been negotiating off and on for about a month, but the tough negotiations took place within the last six or seven days."

The old contract was due to expire at midnight Tuesday.

Pinkerton said he expects issues to come up during the life of the new contract, but said he was pleased with the pact and "the president of the union seemed pleased, too."

Edmund Thais, president of the local, said Wednesday he was not pleased with the new contract.

Neither Pinkerton or Thais would discuss the economic details

or any other aspect of the agreement.

"I am personally not happy with the settlement," Thais said. "I think we could have done a little better. Some of those who voted for the contract were not happy with it."

Thais lamented the changing economic environment and blamed it for the settlement being something less than what the membership wanted, saying, "We negotiated generally under a disadvantage."

"During the next three years we will strive to see that the company adheres to the conditions of this contract," Thais said. "We will continue to look for ways to improve the contract."

Thais also said that the public was misinformed by the other stories saying that the terms of the contract call for the layoff of 80 employees.

"Contrary to reports from the television media, this contract does not stipulate any such condition," Thais said. "This far from being the truth, there will be no layoffs as a result of this contract."

Community Affairs File

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CBS talking to Sony about records group

Business and Industry (WU) - CBS/Columbia House

Is OCT 28 1987

By Dick Robinson
Tribune-Star Staff Reporter

CBS Inc. has started negotiating the possible sale of its profitable records group to Sony Corp., the Japanese electronics giant, for up to \$2 billion, the companies stated Tuesday.

Each company has an operational facility in Terre Haute, with a combined workforce of approximately 1,800 — including about 1,200 employees at Columbia House Division and 525 at Digital Audio Disc Corp.

Commenting on what a possible sale could mean to either or both Terre Haute plants, Jason Farrow of Sony corporate communications said, "those are some of the things being worked out. There aren't enough details at this time. That's all part of the basic talks, and that's what's being discussed."

CBS operates Columbia House, a mail-order distribution center, in Terre Haute, which is home to Sony's Digital Audio Disc Corp., the first manufacturer of compact discs in the United States.

Farrow said the record business would allow Sony to expand its audio and video software lines, which include phonograph records and recording tapes. Sony and CBS already are engaged in a joint venture that is Japan's biggest record company.

CBS and Sony were talking late

Tuesday afternoon, according to Farrow.

Disclosure of the talks followed months of speculation that CBS, contrary to its initial assertions, was moving closer to selling CBS Records, one of its two core businesses.

CBS issued a statement that it was discussing the possible sale, noting any agreement would be subject to approval by its board of directors. The next CBS board meeting is scheduled for Nov. 11. An interim meeting could occur earlier, Robert Altshuler, CBS spokesman, said Tuesday.

Tuesday was the first time CBS had used the words "possible sale" and mentioned the amount, Altshuler said. Earlier announcements concerning the possible transaction said CBS was considering "inquiries." The \$2 billion price tag has been speculative up until this time, he added.

Stock in both companies jumped higher following word of the negotiations, but later trimmed their gains. CBS rose \$8.50 to \$153.875 and Sony was up \$4.375 to \$29.50 in New York Stock Exchange trading.

Sony said a prior offer to acquire the records business for up to \$2 billion was terminated after the CBS board considered the offer at an Oct. 14 meeting. However, the companies resumed "serious discussions" after CBS indicated by letter that it was willing to talk, Sony's spokesman stated.

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Community Affairs File

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CBS/Columbia House

from sale

CBS employees expected to benefit

Business and Industry (WU) - CBS/Columbia House

TS NOV 20 1987

CBS Records Group employees should benefit as well as Sony Corp. with the Japanese firm's \$2 billion acquisition of the nation's largest record company, Walter R. Yetnikoff, president of CBS Records, said Thursday in a prepared statement.

Commenting on CBS Inc.'s announcement Wednesday that it had an agreement to sell its worldwide records division, Yetnikoff said the past relationship between Sony and CBS has been one of the great strengths of the CBS Records Group for almost 20 years.

Sony looks forward to the same successes with CBS Records that it had becoming a major record company in Japan, a Sony spokesman said.

Sony and CBS executives met Wednesday in New York to celebrate the agreement. "This sounds good to us, and everyone here is very high on it," a Sony spokesman said during a telephone interview Thursday.

CBS and Sony have a high presence in Terre Haute. CBS' Columbia House Division at 1400 N. Fruitridge Ave. has nearly 1,200 employees and Sony's Digital Audio Disc Corp. at 1800 N. Fruitridge Ave. has more than 500 workers.

DADC, the first U.S. manufacturer of compact disks, already is a supplier for CBS Records, Sony spokesman Jason Farrow said.

CBS' recent growth in the record

industry has been attributed to increased compact-disk sales and one of the best music rosters and talent pools in the business.

Norio Ohga, Sony's president and chief operating officer, did not overlook Columbia House when he listed CBS holdings acquired in the purchase. Ohga's first word on the agreement came from Tokyo early Thursday after both companies' boards of directors approved the agreement.

The closing on the agreement is expected sometime in January 1988, according to a brief statement by CBS.

Like Yetnikoff, Ohga mentioned the past relationship between the two firms. "Sony's involvement with the software

industry dates back to 1968, when CBS and Sony established CBS/Sony Records as a 50-50 joint venture in Japan," Ohga said. That venture evolved into Japan's largest record company, with annual sales of nearly \$600 million.

"Based on our past experience with CBS/Sony, we are confident of Sony's ability to achieve equal success worldwide," Ohga said.

Farrow could not say Thursday what the acquisition would mean to CBS employees and recording artists, but statements surrounding the announcement gave no indication of immediate change.

A CBS spokesman said the division's senior management would remain in place

and the 1,000 employees would continue working in the New York headquarters.

Farrow said his office sent several messages to Japan on Thursday with statements from artists pleased with the move.

"This can only be good for the industry," Farrow said Thursday during a telephone interview.

Howard Bloom, a record industry promoter, told The Associated Press "The industry is going to continue to function the way it has been functioning no matter who is bankrolling it. The fact is, a company like Sony takes a much longer view of things than American corporations take."

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Community Affairs File

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Union workers cautious of sale

By Cheryl Bicker
Tribune-Star Staff Reporter

An agreement between CBS Inc.'s Records Division and Sony Corp. of Japan made Thursday a red-letter day for business executives, but many CBS blue-collar workers aren't sure the news is good for them.

"We're union, so we're a little more worried than they [non-union employees] are," a 20-year worker said Thursday. "Everyone's a little worried."

The employee, who asked for anonymity, is a member of Teamsters Local 144. He said Teamsters have not been told by company officials of the sale.

"They have never said a thing to us about it," he said, adding that Teamsters learned of the sale through the media.

Non-union workers were told at 9 a.m. Thursday.

Connie Thompson, who works in the correspondence department, was happy about the news.

"As far as I can see, we'll still have jobs and that's what matters," she said. "I'm just thrilled that I still have a job."

Thompson said workers have known of a sale for two weeks because they were told they would receive two W-2 forms this year for tax-return filing. They did not know until Thursday that Sony was the buyer, she said.

In September, Teamsters rather

unwillingly ratified a three-year labor contract with CBS' Columbia House Division. Union officials were not pleased with the contract, nor were many union members.

Another union member, who also asked to remain anonymous, said Thursday that she was unhappy with the contract that allows the company to call back laid-off workers at reduced wages and benefits. She is uneasy about how Sony will manage its workers.

"We don't know a thing — if we'll be working, or laid-off and hired back as cheap labor," she said, but added, "It ain't going to hurt me as much as someone else because I can always retire."

Columbia House has nearly 1,200 employees and Sony's Digital Audio Disc Corp. has more than 500 employees.

Workers have been tense the last few months as rumors of a sale circulated, and news that a deal was finally made brought some relief, one worker said.

During contract negotiations, union members were told the new owner could either accept the ratified contract or reject it and renegotiate. Many Teamsters are worried Sony will renegotiate and take away some benefits held now.

Some workers who lost loved ones in World War II are unhappy the owner is Japanese, one worker said.

DADC is the first U.S. manufacturer of compact disks and supplies CBS Records. The sale is expected to be finalized in January 1988.

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Community Affairs File

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✓ Business and Industry (WU)

CBS rep says

Firms alter views on helping workers,

MAR 30 1987

By George W. Wardell
Tribune-Star Staff Reporter

In the past, companies would just terminate an employee who had a problem, but that's not the way it is anymore, said David Southwick, director of personnel at the Terre Haute office of CBS.

"In the last 20 or so years industry has learned to take another look at the employee with a problem and see if it couldn't help the worker."

Southwick spoke of the company's Employee Assistance Program, which is used to help employees with problems that affect their job.

"We think that CBS is ahead of many companies here in this service," Southwick

said. "We here at CBS have always had a corporate policy toward alcohol and drug-related problems.

"Employees are a great asset here," Southwick said. "We do not terminate an employee because he had a problem without first doing everything we can to help him to solve that problem. Sure, we have lost a few, but we have saved a lot of them, too."

It is difficult to say how many jobs the program has saved, Southwick said, because of the confidential nature of the program makes it difficult to gather statistics.

"The way it works here is that we have a confidential number in our New York office that our employees can use at any time without saying a word to anyone here," Southwick said. "That is the reason

"At least 10 percent of every factory's employees have a problem with drugs or alcohol or both."

we can't compile any statistics. We often just don't know if an employee is having a problem unless he comes to us.

"Actually we are expeditors here, the people who do come to us will get the New York number or a referral and privacy. Our supervisors are strongly cautioned against giving advice," Southwick said. "They are not qualified to help people with problems, only to steer them to the right sources for help."

But Southwick said they are trained to recognize the symptoms of a problem such

as poor job performance or absenteeism.

The program also covers CBS employees' family members.

Southwick acknowledged that most of the problems faced by employees at CBS involve drugs and alcohol, but other problems also are treated. Marital difficulties, legal problems and financial crises are but a few of the things the employee can get help with, Southwick said.

Treatment for these problems is paid 100 percent by the company's insurance plans if the worker is an in-patient.

Ed Sharton of Regional Hospital's Lamb Center said at least 10 percent of every factory's employees have problems with drugs or alcohol or both. This figure is generally accepted by firms working in the field of employee assistance.

But an employee who has performed well for the company for a long period of time is valuable, and Southwick said to dump the employee when he suddenly has a problem is unethical and "just not the way we do things around here."

"The employee is encouraged to take advantage of the program if he has a problem," Southwick said. "An information campaign has made the employees aware that this program exists to their benefit."

After a local employee anonymously calls the company's New York office, "The employee is contacted and told to contact an agency here pertinent to his problem," Southwick said. "This could include alcohol and drug-abuse treatment centers, Family Services Association, or attorneys conversant with the worker's problem if it is a legal one."

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Community Affairs File

Columbia House

MAR 2

1988

✓ Business & Industry (TNU)

Columbia House spins off its compact disc club

Columbia House Division of CBS Inc., which has its operations in Terre Haute, kicked off its compact disc club in early February, but don't expect 10 CDs for a penny ... plus a bonus disc for filling in the gold box.

A Columbia House spokesman said advertisements for the new venture are appearing in magazines geared toward the audiophile with the ads, themselves, targeted at owners of compact disc players.

Because demand for the 4 3/4-inch reflective discs still outstrips worldwide production capacity, it "will constrain the number of customers we'll be able to service," the spokesman admitted.

But, he added, "we expect to have up to 5,000 members by the first quarter" of operation.

Brief cases



Chait, a Tribune-Star reporter for four years, concentrates on coverage of business matters.

By Jan Chait
Tribune-Star Staff Reporter

CBS-Sony

CBS-Sony says YES

Bus & Ind. (W.V.)

APR 22 1983

Community Affairs File

\$21 million plant, 200 jobs for residents

By ROBIN SCHULBERG
Tribune-Star Staff Writer

The announcement that everyone was awaiting came Thursday.



Oren Testa

Terre Haute will be the site of a \$21 million compact-disc manufacturing plant.

Officials of CBS Inc. and Sony Corp. of Japan said the new plant is scheduled to open in late 1984. If possible, officials might try to open sooner.

“What we have here is a market that is ready to explode in terms of growth,” James Bucholtz, Sony Corp. of America’s manager of corporate

planning and development, said.

“Your town should be proud of having this high-technology plant,” said Harry Machida, Sony’s corporate communications director.

The decision still must be approved by the Japanese government, a step which Machida called a formality.

Initially the plant will employ slightly fewer than 200 people, but employment could increase substantially if the new audio system is as successful as expected. The goal is to produce 10.5 million discs a year, both of CBS titles and those of other companies.

It will be owned by a newly formed subsidiary of CBS-Sony Inc., a joint venture formed in Japan in 1968. A plant manager is expected to arrive in May.

The company will purchase CBS Inc.’s tape duplicating and injection molding facilities and construct a

third building.

Hiring policies will be decided by the new management, CBS and Sony officials say. But local people can be trained to do most of the jobs, even though they are highly technical, Bucholtz said.

Negotiations with the city began in October, shortly after CBS Inc. announced the closing of its local record manufacturing operations, Mayor P. Pete Chalos said.

About three months ago, CBS and Sony officials decided to give Terre Haute first chance at securing the the plant because of CBS’s association with the city, said Bucholtz, who took charge of negotiations for the companies at that point.

“That doesn’t mean if we found it unsuitable, we couldn’t have looked elsewhere,” he said. “The mayor did an outstanding job of convincing me to come here. At first I was not in

favor of coming to Terre Haute.”

Contributing to the CBS-Sony decision was an offer of \$400,000 in training funds from the Indiana Commerce Department and the Vigo County Private Industry Council. “Your state provided us with as aggressive a training program as any we’ve ever looked at,” Bucholtz said.



Chalos

Labor costs were assessed as relatively high and the labor force as relatively skilled. In a capital-intensive, high-technology operation, Bucholtz said, skill is more important than wage levels.

Also contributing to the decision was Terre Haute’s central location and an evaluation that it was a nice town in which to live.

But a key and often underestimated factor, Bucholtz said, was cooperation from the city administration. Not only did Terre Haute grant tax abatements and vacate a street for the company, but it acted faster than expected on all requests, he said.

The city would respond to requests for information the same day, sometimes by Federal Express, Bucholtz said.

“A lot of people don’t understand how important little things are,” Bucholtz said. “They reflect a tier of people interested in development. If they want us here, we’ll have a good working relationship.”

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Community Affairs File

Audio revolution comes with discs

Busby
(WV)
T APR 22 1983

CBS-Sony's decision to build a compact-audio disc manufacturing plant here puts Terre Haute on the ground floor of what many call a revolution in the stereo industry.

The new audio system, in which a laser beam reads a digitally coded disc, eventually will replace the needle-and-record systems used today, observers and manufacturers say.

Marketing of the new system began in the United States in March. CBS-Sony sent models to 100 dealers and hopes to expand that number to 150 by June, Harry Machida, Sony's corporate communications director, said. Industry-wide projections are that 30,000 to 40,000 machines will be sold here in 1983.

In Japan, where compact discs were introduced in October, sales have exceeded expectations. About 50,000 players were sold by the end of February, with manufacturers estimating sales of at least 10 discs per machine. Machida said some students bought the discs alone as a status symbol, even though they can't be played on conventional turntables.

Compact discs hit the European market in March and again there was a customer backlog. Demand was greater than expected, but some companies delayed marketing plans.

Sony predicts that 400,000 players and 3 million discs will be sold worldwide during 1983.

The CBS-Sony plant here will be one of the first in the U.S. to manufacture compact discs and probably the sixth worldwide. With companies rushing to get a share of the new technology, Digital Images announced in March it would open a compact-disc manufacturing plant in Loudon County, Va., by fall.

The largest compact-disc manufacturing plant to date is PolyGram Records' in Hanover, West Germany. CBS-Sony has a plant in Japan and Nippon-Columbia and Toshiba-EMI also are opening plants there.

More than 50 companies have been licensed to produce the players.

Winning the allegiance of music

listeners, though, is not without obstacles. One is price. The players cost between \$800 and \$1,000 and the discs from \$16 to \$20.

To make that investment worthwhile, manufacturers must put a wide selection of titles on the market fast.

"Availability of software is key," Machida says. Plans call for CBS-Sony to introduce 100 titles here by the end of 1983 and for PolyGram to put an initial 120 on sale, with 30 more a month thereafter. But so far, CBS-Sony has imported only 16 titles and PolyGram 35.

Warner and RCA, two other major record companies, also have committed themselves to putting their titles on discs.

Manufacturers also must work out the bugs that are inherent in any new product. Denon America delayed its marketing plans until fall until its second generation player is ready, citing the importance of producing a product that lives up to claims.

That may be a problem for companies just now picking up on compact-disc technology, Machida said, but CBS-Sony and PolyGram "have the experience and know-how" to produce trouble-free equipment.

PolyGram's parent company, Philips N.V., and Sony Corp. jointly developed the new technology.

The system consists of 4.7-inch digital discs, with each side playing up to 60 minutes, or twice the length of a conventional record, and a cassette-type player with a laser beam instead of a needle.

The sound quality is billed as vastly superior to conventional systems. A needle-and-record system is based on reproduction of physical qualities of soundwaves, an approximation at best, while the compact-disc system is based on exact translation of soundwaves into digits, manufacturers say.

The discs don't wear out because no needle contact is involved and they are coated with plastic to protect against scratches. — Robin Schulberg

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Community Affairs File

CBS-Sony



MACCARONI



BLACKBURN



PAGE

DAD Corp. fills management slots

Business & Industry (Wabash Valley)

Ts AUG 18 1983

Digital Audio Disc Corp., the subsidiary of CBS-Sony Inc. which will manufacture compact audio discs here, has announced the appointment of three members of its management team.

Glenn Maccaroni, Wally Page and Warren Blackburn recently joined the company and have assumed their new duties, according to an announcement by James M. Frische, vice president and general manager of Digital Audio.

Blackburn and Page are residents of Terre Haute and graduates of Indiana State University. Maccaroni graduated from Virginia Tech.

Blackburn joined the company Aug. 1 as manager, plant engineer-

ing. He will be responsible for physical plant construction and installation of plant equipment.

A native of Terre Haute, he graduated from ISU in 1952 with a bachelor's degree in mathematics and physics. Prior to joining Digital Audio, Blackburn was employed by CBS Records.

Page has been named controller and will be responsible for all corporate financial affairs and related activities.

He graduated in 1970 from ISU with a bachelor's degree in accounting. He is enrolled in the university's Master of Business Administration program. Prior to joining the new firm, he was associated with

General Housewares.

Maccaroni shall serve as manager of human resources, responsible for all matters concerning personnel, training and security.

He earned his bachelor's in business administration. Prior to joining Digital Audio, he worked as a consultant in the human resources area and had been employed by RCA in the personnel field.

The new plant will be the first of its kind in this country and one of few in the world. The year-long start-up process is under way. Frische said the plant is not expected to start production until the fall of 1984, when 200 persons will be employed.

Vigo County Public Library

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Community Affairs File

Business & Industry (W.V.)

Community Affairs File

CBS/Sony

Sony ready to build in city again

T 5 JUN 8 1984

By Dick Robinson
Tribune-Star Staff Reporter

Sony Corp. of America announced Thursday it will build a multi-million-dollar laser video disc manufacturing plant in Terre Haute if tax-exempt financing and federal grant funds are forthcoming.

Mayor P. Pete Chalos is confident all possible has been done to insure Sony will invest \$15 million to \$20 million in a plant here. "It's things like this that makes you feel good about this job," he said as he dropped into his desk chair and relaxed for the first time since early April when the Sony negotiations started.

Sony expects a fall 1985 opening for the plant, which will provide replication services, or duplication of software and information onto disc, mainly for customers in government, industry and education. Sony officials declined to identify the

plant site. The only comment was it would be within about two miles of the joint CBS/Sony venture — Digital Audio Disc Corp., 1800 N. Fruitridge Ave.

Initially, Sony will employ about 100 persons and eventually expand the workforce to 250, a Sony official said.

Terre Haute will be Sony's fourth plant opening in the United States. The others are in California, Florida and Alabama.

Negotiations to locate here continued for weeks, but the decision was not reached until late Wednesday, Chalos said. Several communities were being considered as possible plant sites, the mayor said.

Sony's decision was based on the city's willingness to assist the company in securing financial and other inducements, Marc Elliott, director of Terre Haute Department of Development, said.

The extensive list of inducements

involves large amounts of money from many sources, Elliott said. He explained the city hasn't promised or committed any of the agencies involved, but has promised to help the company. Major portions of the funding come in the form of grants and loans to be repaid.

The city will assist Sony in securing a \$50,000 grant from the Economic Development Commission to purchase land. Terre Haute will help Sony obtain a \$1 million Urban Development Action Grant and up to \$20 million in industrial revenue bonds.

Chalos was in Evansville on Wednesday to talk with Housing and Urban Development officials about UDAG and bond funding.

Indiana will spend up to \$100,000 in infrastructure work at the plant site and will provide \$250,000 in job-training funds.

City officials have promised to assist in securing another \$150,000 for training funds through the

Private Industry Council, Elliott said. Indiana will provide Sony \$500,000 in industrial development loan funds for additional infrastructure work.

A tax abatement on real estate, machinery and equipment must be approved by the City Council.

Chalos, in Indianapolis on Thursday with Gov. Robert Orr and Lt. Gov. John Mutz for the announcement, said Sony's decision puts Terre Haute and Indiana in the forefront in laser technology.

He said many persons were involved in helping Sony decide Terre Haute would be a good place to locate. "We had a lot of people who helped and those who were unwilling to cooperate, we just went around."

Sam Hulbert and the staff at Rose-Hulman Institute of Technology impressed Sony with the quality of engineers trained there, Chalos said.

The Vigo County Commissioners, the City Council and the Alliance for Growth and Progress were involved in the discussions, Chalos said.

A key element in Sony's decision to expand was Indiana's pledge not to invoke its unitary corporate income tax against Sony — a moot point, because the tax isn't applied to any multinational corporation now. The unitary tax permits a state to levy taxes on a multinational corporation's worldwide profits, not just those earned by its operations in the state.

Orr, Mutz and legislative leaders have pledged to amend the state's tax laws to provide that corporations with 80 percent of their business outside the United States wouldn't be subject to the unitary tax.

Akio Morita, chairman and chief executive officer of the parent Sony Corp., said the unitary tax discourages Japanese investment in the United States.

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SONY CORP
Major commitment expected

Business + Industry (W.V.)
Community Affairs File

Sony's new plant in city could be tip of iceberg: Mutz

T s JUN 8 1984

By Dick Robinson
Tribune-Star Staff Reporter

INDIANAPOLIS — While Sony's announcement Thursday to invest millions at Terre Haute and create hundreds of jobs may sound significant, it could merely be the first drop in a much bigger bucket.

Lt. Gov. John Mutz kept a group of businessmen waiting outside his office while he discussed Sony's future at Terre Haute and perhaps elsewhere in Indiana.

"It's not just the investment of \$15 million or 100 new jobs," Mutz said, "because future Sony investments could triple that amount. In private conversations I had with the Sony

people, there was talk about other products they make and their future investments.

"I expect a major Sony commitment to be made in the Terre Haute area."

Michael McDaniel, Mutz's chief administrative assistant held the same view. "They [Sony] are so positive they can penetrate their markets that what you see here today won't even scratch the surface in the future."

"Terre Haute is the beneficiary," Mutz said, "but there is more to come."

Mutz said that while negotiations continued with Sony concerning the Terre Haute location and a change in

the state's taxes laws, three other companies were showing an interest in Indiana. "We were talking to those three companies and we couldn't say a word about Sony until we knew how it would come out," Mutz said.

The lieutenant governor wouldn't identify the three firms, but he did say he believes the Sony action will cause them to look with favor on Indiana.

"Sony's announcement will make more news in Japan than here," Mutz said, "because of the interest they have in the unitary tax. Sony can claim a victory in Japan, and Terre Haute can claim a victory here."



AP
Encore: Sony Chairman Akio Morita brandishes new product

Community Affairs File *Business & Industry (W.V.)*

Digital Audio Disc begins pressing its compact discs

T's AUG 31 1984

By Jan Chait
Tribune-Star Staff Reporter

Workers at Digital Audio Disc Corp., 1800 N. Fruitridge Ave., began pressing compact discs Tuesday. Although the discs have been produced in Japan for about three years now, this is the first time any have been manufactured in the United States.

The silver, 4 3/4-inch reflective discs are used in new audio systems that include players which use laser beams rather than needles.

Warren I. Maccaroni, manager of human resources, said start-up Tuesday went as anticipated.

"There were no unforeseen problems. Anytime you start a facility up from scratch there are always difficulties, but they're usually anticipated."

The firm currently employs about 90 persons but, Maccaroni said, "we're still hiring. By the end of the year, we should have somewhere around 150."

Employee screening is being conducted by the Indiana Employment Security Division office at Sixth and Ohio streets. The person who handles the firm's account there said she has referred between 300 and 350 potential workers to the firm.

"I talk to maybe 50 or 60 [applicants] a day now; it had been 200 a day," said the employee, who asked not to be identified.

Digital Audio is hiring between two and five employees per week.



Tribune-Star/Bonnie Jeffery

Long play: Newest in audio storage rolls off line

Maccaroni said that the plant is in "what we would consider to be limited production. We're programmed to bring the plant up to full operational capability."

Right now, employees are in a training mode.

Workers here have been packaging individual discs and shipping them to clients since May, Maccaroni said. The discs, manufactured at the Sony plant in Japan, were shipped to Terre Haute in bulk quantity.

Digital Audio Disc Corp.

Community Affairs File

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(Business-Industry W.U.)

Compact discs begin rolling off production line

Community Affairs File

SEP 22 1984
By Jan Chait
Tribune-Star Staff Reporter

Bruce Springsteen's album "Born in the U.S.A." was the first compact disc born in the USA when CBS/Sony Inc.'s Digital Audio Disc Corp., which officially opened Friday, began production.

The plant at 1800 N. Fruitridge Ave. is the first in the United States to manufacture what is being hailed as the single most important advance in sound reproduction since Thomas Alva Edison invented the phonograph in 1877.

Other compact-disc manufacturing facilities are already operating in Japan, Germany and England.

In this new wave of recording, sound is converted into digital codes — the computer binary language which consists of a series of ones and zeros — and stored in tiny "pits" in a 2½-mile-long spiral on the disc's surface.

A laser beam in a compact-disc player reads the codes and translates them into sound.

That's in contrast to analog recordings — the vinyl records everyone is used to — wherein sound is reproduced by means of a stylus tracking a groove.

Digital audio reproduction marks the first time in history that the tactile link between player and recording has been broken.

The plant here is currently taking orders for and producing 300,000 compact discs each month,

James M. Frische, general manager of the plant, said.

Michael P. Schulhof, director and chairman of strategic planning for Sony Corp. of America, said workers here could be making a million discs per month by the end of 1985 if the market warrants.

Walter R. Yetnikoff, president of CBS Records Group, said the market for compact discs should rise as the price of the players decreases.

"The price of hardware [players] has already gone down," Yetnikoff said, adding that the price is expected to fall to \$300 per unit by Christmas.

A number of leading executives surveyed by Billboard magazine have said that the price of first-generation players will fall even further by then, to \$199.

When Sony markets the industry's first compact-disc players for automobiles this fall, the demand for discs is expected to be even greater.

Domestic manufacture of the discs also will mean simultaneous release of recordings in album, tape and compact-disc format.

"We will aim toward simultaneous release as soon as the capacity of the factory lends itself toward it," Yetnikoff said. He predicts that will take place sometime in 1985.

Columbia House, CBS' mail-order division, will begin selling compact discs from its Terre Haute facility in November.

See related story, Page A3

CBS/Sony

Community Affairs File

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Vigo County Public Library

Business + Industry (W.I.) CBS Sony

Sony accepts property deed

Ts DEC 21 1984 Community Affairs File

By Dick Robinson
Tribune-Star Staff Reporter

Sony Corp. of America has assumed ownership of land on the city's southeast side as a site for its laser video-disc manufacturing facility, thus confirming its intention to make Terre Haute the site of its first such plant in the United States.

Morris Landsbaum, president of Morris Landsbaum Realty, confirmed Thursday that he met with Sony officials in Indianapolis to transfer a property deed Wednesday.

At Sony's request, Landsbaum would not disclose the purchase price.

Terre Haute Mayor P. Pete Chalos said he "was very pleased" to learn of the transfer of ownership. "On behalf of the people of Terre Haute, I want to commend Mr. Landsbaum and all others responsible for making this happen," he said.

Landsbaum said nailing down the deal confirms Sony's intention to build on the 20 acres at the southeast corner of Indiana 46 and Interstate 70.

Laser video discs to be manufactured here will have the capacity to

store large quantities of information. Principle customers will be governmental agencies, educational institutions and industry.

The proposed facility is Sony Corp. of America's fourth U.S. manufacturing plant, its first in Indiana and the only one making the information disc.

CBS/Sony Inc.'s Digital Audio Disc Corp. has a plant here which manufactures a laser audio disc.

Lt. Gov. John Mutz said earlier that Sony's decision to build here was only the tip of the economic development iceberg in this area.

Chalos confirmed Thursday that other economic development projects "are in the works" but he said he couldn't discuss any specifics.

Landsbaum said the new plant would provide Terre Haute with additional payrolls.

In addition to finding a suitable plant site, Sony asked the state to eliminate its worldwide unitary tax. Foreign investors, including Sony, oppose the unitary tax because it gives the state the ability to tax a company's worldwide profits.

The governor, lieutenant governor and the Legislature's leadership assured Sony the tax code would be amended, Chalos said.

Community Affairs File

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CBS/Sony

CBS/sony

Community Affairs File

How did Sony go about getting its new name?

Ts JAN 28 1985

Q. What does Sony Corp. have in common with Tokyo Tsushin Kogyo?

A. Tokyo Tsushin Kogyo was Sony's original name.

Akio Morita, Sony's chairman, chief executive officer and co-founder (with Masaru Ibuka) first came to the United States in 1953 representing a firm called Tokyo Tsushin Kogyo. Upon his arrival, he discovered that nobody here could pronounce the firm's name.

He and a colleague sat down with some foreign dictionaries and came up with the root word "sonus," which means "sound" in Latin, Mitchell F. Deutsch's book "Doing Business with the Japanese" says.

That's half the story. The other half, Sony spokesman Fred Wahlstrom says, is that Morita and honorary chairman Ibuka referred to themselves as "sonny boys." "Sonny boy" and "sonus" were combined for the corporate name.

Brief cases



Chait, a part-time reporter for The Tribune-Star, concentrates on business matters.

By Jan Chait
Tribune-Star Staff Reporter

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Vigo County Public Library

1984 in Terre Haute area was year of compact disc

Community Affairs File
Business Industry (W.U.) - CBS/Sony
Ts MAR 6 1985

Nineteen eighty-four could be called the year of the compact disc in Terre Haute. When Digital Audio Disc Corp. officially opened on Sept. 21, Terre Haute became the first — and only — city in the United States in which the laser-read audio discs are manufactured.

But hints that Digital Audio, a subsidiary of CBS-Sony Inc., might open in the former CBS tape duplication and injection molding facility at 1800 N. Fruitridge Ave. came in December 1982, almost two years earlier.

It was good news for the town, which had learned in October 1982 that the local CBS plant, once the city's largest employer, soon would close.

In December 1982, Sony spokesman Fred Wahlstrom confirmed that Terre Haute was among sites under consideration for the plant. Hopes were raised even higher in February 1983, when CBS-Sony requested tax abatements from the city.

And on April 21 it was official; Terre Haute would be the site of a \$21 million compact-disc manufacturing plant.

"CBS-Sony says YES," a ¾-inch high headline in The Tribune-Star said in its April 22 edition, the day after a gala celebration at the Country Club of Terre Haute.

"I've never been to a four-helicopter lunch before," Thomas H. Wyman, chairman, president and chief executive officer of CBS Inc. said at that celebration. "I don't know about the rest of you, but I'm going to tell my children about it when I get back."

Two of the helicopters brought television crews to the scene, and the other two were for the use of the governor and lieutenant governor.

Wyman also said that day that locating the plant in Terre Haute was a matter of paying a debt.

"The principal reason, assuming it otherwise made economic sense ... was that we ought to be here. We had an operation here that we closed, and we owe this town something," Wyman said.

Norio Ohga, president and chief operating officer of Sony Corp., said Terre Haute was "the clear choice [because] we already know about the workforce" and because the city has a wholesome lifestyle and is sensitive to the needs of business.

"I have no doubt we will get the help we need — that is why we are in Terre Haute."

Ohga said something else that day. He said, "Terre Haute is my kind of town."

He said it again, almost 1½ years later, to persons attending the official grand opening ceremonies at the plant on Sept. 21, 1984.

He said something else that day that made area residents swell with pride.

"I tried to look up the word 'Hoosier' in my Japanese-English dictionary," Ohga said. "It wasn't there, so I made up my own definition. I decided Hoosier is an English word meaning 'somebody who makes things happen.'"

The conversion of a tape plant to a compact-disc

plant would have been impossible without the enthusiasm and energy of the workforce here, Ohga added.

"Indianapolis might have the Colts, but Terre Haute has the talent. Thank you for making the team so welcome."

About 200 government and civic leaders and members of the national press were in attendance at the new plant's grand opening celebration.

Gifts and other platitudes were exchanged on that day, and "outsiders" got their first look at the inside of the state-of-the-art plant.

"And all for this," CBS Records Division president Walter R. Yetnikoff said, holding up a shimmering 4¾-inch reflective disc. "It looks to me like Mr. T's cufflinks."

Those "cufflinks" are being hailed as the single most important advance in sound reproduction since Thomas Alva Edison invented the phonograph in 1877.

In this new wave of recording, sound is converted into digital codes — the computer binary language which consists of a series of ones and zeros — and stored in tiny "pits" in a 2½-mile-long spiral on the disc's surface.

A laser beam in a compact-disc player reads the codes and translates them into sound.

Digital audio reproduction marks the first time in history that the tactile link between player and recording has been broken.

Michael P. Schulhof, director and chairman of strategic planning for Sony Corp. of America, said in September that workers here could be making one million discs per month by the end of 1985 if the market warrants.

The market warrants.

Sales of both players and discs have exceeded earlier predictions. Industry officials say that 250,000 players and 4.3 million discs were sold in 1984 and that compact discs should replace 12-inch black vinyl records by the mid-1990s.

Demand for the discs has been so high that Digital Audio recently was forced to cease taking orders from other records companies and concentrate on top CBS artists only.

And demand has been so high that the firm announced last month it will triple production capacity at the local plant to one million discs per month by the end of this year. Production capacity also is being increased at the firm's plant in Japan.

The expansion will give CBS-Sony the largest worldwide compact disc production capacity of any manufacturer, local plant manager James Frische said recently.

Whether or not there'll be further expansion locally beyond the one million per month is anyone's guess.

Warren Maccaroni, manager of human resources, said recently, however, that there is room within the plant's four walls to hold equipment beyond that needed for the planned expansion.

Jan Chait



Ahead of his time

Was phonograph inventor Thomas Alva Edison also a prognosticator? Although it looks as though he holds the future — in the form of a compact disc — in his hand, this actually is a composite photo. In the background though, is the machine that started the road toward digital audio technology.

Sony planning plant changes

F's OCT 19 1985

Community Affairs File

By Jan Chait

Tribune-Star Staff Reporter

Digital Audio Disc Corp., now wholly owned by Sony Corp. of America, will expand its workforce, its physical plant and its production capacity throughout the next year, DADC officials said Friday.

CBS Inc. sold its half interest in DADC to Sony on Friday morning. The price was not disclosed.

The manufacturer of compact audio discs was formed in 1983 as a wholly owned subsidiary of CBS/Sony Group Inc., which was owned equally by CBS Inc. and Sony Corp. of Japan.

Michael Schulhof, president of Sony Industries and the newly named president of DADC, said "Sony's acquisition ... is an important step guaranteeing a sufficient and timely supply of compact disc software for the U.S. market, and we will continue to expand our equipment and personnel as the marketplace demands grow."

The local plant began operating in September 1984 with about 100 employees and an initial production capacity of 250,000 discs per month, a Sony news release said.

Plant Manager James Frische said as recently as July and August the plant was producing 600,000 discs per month.

"Now we're making a million a month and we'll make more than a million in October," Frische said.

Employment has increased to 300 from 100 persons in the past year, with at least 400 workers expected by the end of 1986, at which time the plant should be capable of producing 25 million discs per year.

Current worldwide production of the 4 3/4-inch reflective discs is 15 million units per year, Leslie Rosen, executive director of the Compact Disc Group, said recently.

Frische said plans to physically expand the plant still are in the engineering stages, but added construction may be under way before the end of this year.

Aside from continuing its growth, no changes are expected at

the plant, Frische said. "What happens is that there's a stock transfer. We'll continue on with the task at hand. We have a phenomenally growing business."

Sony said compact-disc-player sales worldwide exceeded 1 million units in 1984, and are predicted to more than double in sales to 2.3 million units in 1985.

Rosen said recently the discs "have enjoyed the most rapid acceptance of anything in history." He added that the average consumer buys 40 discs per player the first year and 15 the second year.

That compares with per capita sales of about 3 LP or cassette sales annually.

Currently more than 4,000 compact-disc titles are available in the United States.

The contract signed by the two firms Friday morning says DADC will continue to devote most of its production capacity through 1987 to manufacturing CBS titles.

Widespread speculation exists that CBS sold its half of the firm to Sony as an attempt to recouperate part of the \$954.1 million it spent fighting an unfriendly takeover attempt by Turner Broadcasting System Inc.

Seymour Gartenberg, senior vice president for CBS Records Group, recently told The Tribune-Star that CBS is contemplating building a manufacturing plant either by itself or with another firm.

There also was talk the two firms were in disagreement about some things, with Schulhof saying CBS held the firm back from expanding production at the plant.

Sony's plans to build an additional plant at Interstate 70 and Indiana 46 to replicate video discs currently is on hold while the firm reviews technological changes in that field, Sony spokesman Fred Wahlstrom said Friday.

"There are a couple new methods of doing video-disc replication," and Sony officials currently are reviewing which method to use, he said.

The kind of equipment which would be used and the structure of the proposed plant are dependent on the method chosen.

Community Affairs File

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